



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

April 06, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 APRIL 6, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION COMMERCIAL PAPER PROGRAM
(ALL DISTRICTS – 3 VOTES)

SUBJECT

Under the direction of the Treasurer and Tax Collector, the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL) periodically issues short-term Commercial Paper Notes (the "Notes") to finance capital construction costs for the County. Over the past twelve years, the Tax Exempt Commercial Paper Program (the "CP Program") has provided a cost-effective and flexible financing mechanism for the County to fund the initial stages of its capital projects. The CP Program has a unique short-term lease-revenue financing structure and is currently secured by three bank Letters of Credit (LOC). With two of our current LOC banks exiting the business as of May 2010, we are requesting that your Board approve a restructuring of the existing Program with a new syndicate of LOC banks. In addition, we are also requesting an increase in the maximum stated amount of the LOC from \$335,000,000 to \$400,000,000. The additional CP Program capacity will provide a critical source of funding to finance the initial capital expenditures of Board approved projects that will later be financed through the issuance of long-term bonds.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the execution and delivery of legal documents related to a restructuring of the Los Angeles County Capital Asset Leasing Corporation Commercial Paper Program in order to provide for the issuance of new lease-revenue commercial paper notes in an aggregate principal amount not to exceed \$400,000,000, and approving additional actions with

respect thereto.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 24, 1997, your Board authorized a lease-revenue CP Program to replace an existing Bond Anticipation Note program. The CP Program has been very successful in providing cost-effective short-term financing for the County to fund essential Board approved capital projects during the initial construction phase. The flexibility of the CP Program allows the County to avoid the cost of capitalized interest before a project is operational and to facilitate a long-term financing solution that will more effectively allocate the cost of a project over its useful life. Some of the County's high-profile capital projects previously funded or currently being funded through the CP Program include the LAC+USC Medical Center, and other Department of Health Services' construction projects at Harbor-UCLA Medical Center, Olive View Medical Center, High Desert Hospital and Rancho Los Amigos National Rehabilitation Center.

The CP Program is currently secured by LOCs issued jointly by JP Morgan Chase and two German Landesbanks, WestLB and BayernLB. As a result of the recent financial crisis and their deteriorating financial condition, WestLB and BayernLB served notice to the County in January 2010 that they will be exercising their option to terminate the LOC as of May 1, 2010. JP Morgan Chase indicated to the County that they were willing to remain as an LOC provider if the new CP Program was restructured at the current rates prevailing in the LOC market. Given the substantial complexity and unique structure of the CP Program, this Department determined that it was in the best interest of the County to retain JP Morgan Chase as an "anchor" bank for a restructured CP Program, and to negotiate a new Letter of Credit and Reimbursement Agreement (the "Agreement"). To facilitate an efficient RFP process, Chapman & Cutler LLC was hired as Bank Counsel to work with this Department and JP Morgan Chase to develop the basic form of a new Agreement that reflects current industry standards and practices.

In February 2010, this Department issued an RFP, which included the basic form of an industry standard Agreement, to solicit new bank LOC providers for a new CP Program. Four banks submitted proposals in response to the RFP (Bank of America, Bank of Nova Scotia, Union Bank and Wells Fargo). Of the four banks, Bank of America, Union Bank and Wells Fargo submitted competitive pricing proposals and have been selected to replace the two German Landesbanks as LOC providers for the new CP Program. Bank of Nova Scotia was eliminated from consideration due to their non-competitive pricing proposal.

JP Morgan Chase agreed to match the LOC fees proposed by Bank of America and Wells Fargo through the RFP process. These three banks have similar credit profiles and are the primary competitors in the current bank LOC market. Union Bank, which has less exposure in the LOC market and a weaker credit profile compared to JP Morgan Chase, Bank of America and Wells Fargo, submitted the lowest cost proposal and was selected as the fourth and final LOC provider for the new CP Program. This Department is currently in the process of negotiating final Agreements with the four LOC banks for the new CP Program. The four Agreements will have common terms and conditions, with the exception of Union Bank, which will have a lower pricing structure, as detailed below.

In order to meet the County's expanding capital project needs, the maximum principal amount of Notes authorized under the new CP Program will be increased from \$335,000,000 to \$400,000,000. The additional Program capacity will provide the County with greater flexibility in the timing of long-

term bond issuances, the proceeds of which will be used to redeem outstanding Notes.

The new CP Program will continue to issue the vast majority of the Notes as tax-exempt. However, the financing documents for the new CP Program will provide the authority to issue a taxable series of Notes as part of the \$400,000,000 maximum principal authorization. A taxable series of Notes will provide added flexibility to fund certain expenditure needs of the County that would not otherwise be eligible to be funded through a tax-exempt financing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness by providing a flexible and cost-effective source of financing to fund the capital construction needs of the County.

FISCAL IMPACT/FINANCING

The CP Program has provided the County with a highly flexible and cost-effective funding source to finance the early phases of capital construction projects. Since the inception of the CP Program in 1997, the average coupon rate on outstanding Notes used to finance various projects, including the LAC+USC Medical Center, is only 2.16%. With short-term interest rates at historical lows, the County is currently financing the \$205,500,000 of currently outstanding Notes at an average rate of .37% for Fiscal Year 2009-10. Both the historical and year-to-date coupon rates on outstanding Notes compare very favorably to the cost of capital on a long-term bond financing. If the County were to issue tax-exempt bonds at current market rates with a thirty-year term and a similar lease-revenue structure, the average interest cost over the life of the bonds would be approximately 5.5% to 6.0%.

The CP program also enables the County to avoid paying capitalized interest during the construction phase of a project, or prior to the time a capital asset is placed into service. For capital projects financed through the issuance of long-term-bonds, capitalized interest can add an additional 20% to 30% to the final cost of the project. Upon completion of a capital project funded through the CP Program, the County will generally initiate a "take-out" financing involving the issuance of long-term bonds to allocate the cost of capital over the useful life of the project; and to free up capacity in the CP Program to fund new capital projects.

In a reflection of the current conditions in the LOC market, the County will incur a significant increase in LOC fees to provide credit enhancement and liquidity support for the new CP Program. Assuming the maximum \$400,000,000 of Notes authorized under the new CP Program are issued and outstanding, the total annual ongoing administrative costs for the new CP Program are estimated to be \$5,329,000. This amount represents an increase of \$4,304,000 from the \$1,025,000 of total administrative costs for the \$205,500,000 of Notes outstanding in the current Fiscal Year. In addition to the increase in annual administrative costs over the three-year term of the new CP Program, the County will incur one-time start-up costs in the estimated amount of \$300,000 for legal, financial advisory, title insurance and rating agency fees. The 2010-11 Proposed Budget will incorporate the higher level of administrative costs required for the new CP Program. No adjustments to the 2009-10 Final Budget will be necessary to fund the increase in administrative costs for the new CP Program, which commences on April 26, 2010.

Since commercial paper is a short-term variable rate debt instrument, the interest rate on outstanding Notes will reflect the market rate at the time of issuance and all subsequent rollover

dates for the issued Notes. With market interest rates currently at historical lows, the rollover Notes are likely to be issued with higher interest rates at some point over the three-year term of the new CP Program. The Chief Executive Office conservatively estimates interest costs for the Notes in its budgetary projections to account for the possibility of an increase in short-term interest rates and will continue to appropriate sufficient funds on an annual basis to cover all administrative and interest costs for the new CP Program.

In the event that a new CP Program or an alternative financing solution is not approved by your Board, the current CP Program will terminate and the County will need to identify at least \$205,500,000 of General Fund budget and cash resources to redeem the outstanding Notes on April 26, 2010.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Notes for the new CP Program will continue to be issued through LAC-CAL, a non-profit public benefit corporation created by this Board in 1983 to assist the County in financing the purchase of necessary equipment and the acquisition, purchase and construction of County buildings and facilities.

The new CP Program will consist of four separate Agreements authorizing the issuance of separate series of Notes by each bank up to a maximum aggregate principal amount of \$400,000,000. The maximum principal amount of the Notes will be allocated among the four LOC providers as follows:

- JP Morgan Chase \$175,000,000
- Bank of America \$75,000,000
- Wells Fargo \$75,000,000
- Union Bank \$75,000,000

The stronger credit quality banks in the new CP Program (JP Morgan Chase, Bank of America and Wells Fargo) will have pricing parity and charge 125 basis points for both the utilized and unutilized portions of their LOC allocation. Union Bank, which has the lowest credit rating of the four banks, will have a separate pricing structure with lower fees consisting of 95 basis points for the utilized portion, and 50 basis points for the unutilized portion of their LOC allocation. These four Agreements provide for an increase in LOC fees on a tiered basis as a result of any downgrade in the County's general obligation credit rating below A+ for Standard & Poors or A1 for Moody's. We have confirmed with Public Resources Advisory Group, our financial advisor for this transaction, that the fee structure for the new CP Program represents competitive pricing in the current LOC market.

The CP Program will continue to be secured by a lease-revenue financing structure involving a Site Lease and Sublease by and between the County and LAC-CAL. In the lease-revenue structure of the current CP Program, the County has pledged twenty-five (25) real estate assets (the "Properties") as collateral for an LOC issued jointly by the three bank providers. The restructured CP Program will require a restated Site Lease and Sublease with minimal changes from the current documents. However, as a result of an increase in the aggregate appraised value of the Properties, the County will be able to increase the maximum principal amount of the LOCs without having to pledge additional assets to support the County's expanded capital construction needs. The new CP Program will continue to provide the County with the flexibility to substitute and/or remove real estate assets into and out of the lease structure to accommodate the changing needs of the capital construction program.

The new CP Program was approved by the LAC-CAL Board on March 16, 2010. The County has retained Nixon Peabody as note counsel, approved Chapman and Cutler as bank counsel and hired Public Resources Advisory Group as the financial advisor to provide professional services to assist the County in the establishment of the new CP Program. The Note dealers for the current CP Program (Barclays Capital, JP Morgan and Morgan Stanley) will continue to serve as Note dealers for the new CP Program. The Resolution provides the authority to replace or contract with additional Note dealers at the discretion of this Department to facilitate the successful operation of the new CP Program.

As part of the authorization to establish the new CP Program, your Board is requested to approve the "form of" the following financing documents, which are provided as Exhibits to the Resolution:

- Exhibit A-1 Bank of America Letter of Credit and Reimbursement Agreement
- Exhibit A-2 JP Morgan Chase Letter of Credit and Reimbursement Agreement
- Exhibit A-3 Union Bank Letter of Credit and Reimbursement Agreement
- Exhibit A-4 Wells Fargo Letter of Credit and Reimbursement Agreement
- Exhibit B Restated Site Lease
- Exhibit C Restated Sublease

IMPACT ON CURRENT SERVICES (OR PROJECTS)

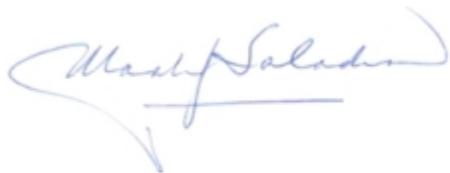
Approval of the new CP Program will provide the County with a continued source of highly flexible and cost-effective financing for the capital construction program. In the event the new CP Program is not approved by your Board, the County will need to fund existing capital construction projects with available cash resources and/or secure alternative and higher-cost sources of financing.

CONCLUSION

Upon approval of the Resolution, it is requested that the Executive Officer of the Board of Supervisors return two originally executed copies of the adopted Resolution to Glenn Byers of the Treasurer and Tax Collector.

The Honorable Board of Supervisors
4/6/2010
Page 6

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is written in a cursive style with a horizontal line underneath the name.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP:JW

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION AND DELIVERY OF LEGAL DOCUMENTS RELATED TO A RESTRUCTURING OF THE LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION COMMERCIAL PAPER PROGRAM IN ORDER TO PROVIDE FOR THE ISSUANCE OF NEW LEASE-REVENUE COMMERCIAL PAPER NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$400,000,000 AND APPROVING ADDITIONAL ACTIONS WITH RESPECT THERETO

WHEREAS, pursuant to a trust agreement dated as of July 1, 1997, between the Los Angeles County Capital Asset Leasing Corporation (the “**Corporation**”) and Bankers Trust Company of California, N.A. (Deutsche Bank National Trust Company has succeeded Bankers Trust Company of California, N.A. as trustee and is referred to herein as the “**Trustee**”), as amended by the First Amendment to Trust Agreement dated as of March 31, 2003, between the Corporation and the Trustee (collectively, the “**Original Trust Agreement**”), the Corporation has issued its Lease Revenue Tax-Exempt Commercial Paper Notes (the “**Original Commercial Paper Notes**”) from time to time for, among other purposes, the funding of capital projects of Los Angeles County (the “**Program**”); and

WHEREAS, in order to provide security for and facilitate the execution and delivery of the Original Commercial Paper Notes, the Corporation and the County of Los Angeles (the “**County**”) entered into a Site Lease, dated as of July 1, 1997, as previously amended and supplemented (the “**Original Site Lease**”), pursuant to which the County leased to the Corporation certain parcels of real property located in the County and the facilities and improvements located thereon (the “**Property**”), and the County and the Corporation entered into a Sublease, dated as of July 1, 1997, as previously amended and supplemented (the “**Original Sublease**”), pursuant to which the Corporation leased the Property back to the County; and

WHEREAS, in order to provide additional security for the Original Commercial Paper Notes, the Corporation and the County entered into a letter of credit and reimbursement agreement, as amended and supplemented (collectively, the “**Original Reimbursement Agreement**”) with WestLB AG, acting through its New York Branch (“**WestLB**”), individually and as Administrative Agent for the hereinafter defined Original Banks, Bayerische Landesbank, acting through its New York Branch (“**BayernLB**”) and JPMorgan Chase Bank, National Association (“**JPMorgan**”, and together with BayernLB and WestLB, collectively referred to herein as the “**Original Banks**”), pursuant to which the Original Banks have provided credit enhancement and liquidity support for the Original Commercial Paper Notes; and

WHEREAS, pursuant to the Original Reimbursement Agreement, WestLB and BayernLB have notified the Corporation and the County that they will no longer participate as credit providers for the Program, and JPMorgan has notified the County and the Corporation that it desires to continue as a credit provider for the Program; and

WHEREAS, the Corporation has determined that it is in the best interests of the Corporation and the County to maintain and to expand the Program by issuing both tax-exempt and taxable commercial paper notes (collectively, the “**New Commercial Paper Notes**”); and

WHEREAS, in order to maintain and expand the Program and to provide additional security for the New Commercial Paper Notes, the Corporation and the County have entered into negotiations with JPMorgan, Bank of America, N.A. (“**Bank of America**”), Wells Fargo Bank, National Association (“**Wells Fargo**”) and Union Bank, N.A. (“**Union Bank**”, and together with JPMorgan, Bank of America and Wells Fargo, the “**New Banks**”), and each New Bank has agreed to provide credit enhancement and liquidity support for the New Commercial Paper Notes pursuant to separate letter of credit and reimbursement agreements among each New Bank, the County and the Corporation (each, a “**New Reimbursement Agreement**”); and

WHEREAS, in order to maintain and expand the Program and to facilitate the execution and delivery of the New Reimbursement Agreements, the Corporation proposes to (i) amend and restate the Original Trust Agreement pursuant to an Amended and Restated Trust Agreement with the Trustee (the “**Restated Trust Agreement**”), (ii) amend and restate the Original Site Lease pursuant to an Amended and Restated Site Lease (the “**Restated Site Lease**”) with the County, (iii) amend and restate the Original Sublease pursuant to an Amended and Restated Sublease (the “**Restated Sublease**”) with the County, and (iv) enter into an Amended and Restated Issuing and Paying Agent Agreement (the “**Restated Issuing and Paying Agent Agreement**”) with Deutsche Bank National Trust Company, as issuing and paying agent (the “**Issuing and Paying Agent**”); and

WHEREAS, in connection with the expansion of the Program, the Corporation has determined that it is in the best interests of the Corporation and the County to issue up to \$400,000,000 of the New Commercial Paper Notes, which shall be secured, pursuant to the Restated Site Lease and the Restated Sublease, by the same Property that secured the Original Commercial Paper Notes as further described in Exhibit A to the Restated Sublease; and

WHEREAS, Barclays Capital Inc. (“**Barclays**”), Morgan Stanley & Co. Incorporated (“**Morgan Stanley**”) and J.P. Morgan Securities Inc. (“**JPMorgan Securities**”, and together with Barclays and Morgan Stanley, the “**Existing Dealers**”) currently serve as dealers for the Original Commercial Paper Notes pursuant to dealer agreements between each Existing Dealer and the Corporation (the “**Existing Dealer Agreements**”); and

WHEREAS, in connection with the addition of the New Banks to the Program, the Corporation will terminate the Existing Dealer Agreements and execute new agreements with the Existing Dealers (each, a “**New Dealer Agreement**”) and may, from time-to-time, execute additional dealer agreements (each, an “**Additional Dealer Agreement**”) with any additional dealers (each, an “**Additional Dealer**”, and together with the Existing Dealers, the “**Dealers**”) to serve as a Dealer for the New Commercial Paper Notes; and

WHEREAS, in connection with the addition of the New Banks to the Program, the Corporation and the County will cause to be prepared new offering memorandums for the New Commercial Paper Notes; and

WHEREAS, forms of the New Reimbursement Agreements, the Restated Trust Agreement (which includes forms of the New Commercial Paper Notes), the Restated Issuing and Paying Agent Agreement, the Restated Site Lease, the Restated Sublease, and the New Dealer Agreement have been presented to this Board of Supervisors of the County (this “**Board**”) and are attached as exhibits hereto and are on file with the County.

WHEREAS, the County is authorized to undertake all of the above pursuant to applicable law of the State of California; and

NOW, THEREFORE BE IT RESOLVED that this Board finds, determines and declares as follows:

Section 1. Each proposed form of New Reimbursement Agreement attached hereto as Exhibits A-1 to A-4 is hereby approved. Each of the Treasurer, or his designee, and such other officers of the County as shall be authorized by the Board (collectively, the “**Authorized Representatives**”), are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute and deliver each New Reimbursement Agreement substantially in the form on file with this Board, with such changes as may be necessary or as such Authorized Representative may approve, in his or her discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The proposed form of Restated Site Lease attached hereto as Exhibit B is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute and deliver the Restated Site Lease substantially in the form on file with this Board, with such changes therein as may be necessary or as such Authorized Representative may approve, in his or her discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of Restated Sublease attached hereto as Exhibit C is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute and deliver the Restated Sublease substantially in the form on file with this Board, with such changes therein as may be necessary or as such Authorized Representative may approve, in his or her discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The issuance and sale by the Corporation of the New Commercial Paper Notes, as provided in the Restated Trust Agreement, the execution and delivery of the Restated Trust Agreement, the Restated Issuing and Paying Agent Agreement, the New Dealer Agreements and any Additional Dealer Agreements, and the expansion of the Program up to \$400,000,000 are hereby approved; *provided*, that the Corporation shall issue the New Commercial Paper Notes at such times, with such dates, maturity dates and interest rates in such principal amounts and on such commercially reasonable terms as the officers of the Corporation, in consultation with the Treasurer, shall in their discretion determine to be in the best interests of the Corporation and the County.

Section 5. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County and the Corporation, to prepare offering memorandums relating to the New Commercial Paper Notes, in such forms as such Authorized Representatives may approve. The Authorized Representatives

are hereby authorized for and in the name of, and on behalf of the County and the Corporation, to execute by manual or facsimile signature the offering memorandums. The Authorized Representatives shall deliver the offering memorandums to Barclays, JPMorgan Securities, Morgan Stanley, and to any Additional Dealers as the Dealers of the New Commercial Paper Notes, and the Board hereby authorizes the offering memorandums and the information contained therein to be used in connection with the sale from time to time of the New Commercial Paper Notes.

Section 6. In connection with, or incidental to, the issuance of the New Commercial Paper Notes, or the acquisition or carrying out of any investment or program of investment by any officer of the Corporation, the Treasurer and other officers of the Corporation or the County responsible for the New Commercial Paper Notes or such investment or program of investment, acting alone, may enter into any contracts, including, without limitation, contracts commonly known as interest rate swap agreements; forward payment conversion agreements, futures or contracts providing for payments based on levels of, or changes in, interest rates or stock or other indices; contracts to exchange cash flows or a series of payments; municipal bond warrants; custodial receipts; escrow forward supply agreements; or contracts including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar exposure, that said officers of the Corporation and the County determine to be necessary or appropriate to place the New Commercial Paper Notes or such investment or program of investment, or to eliminate or reduce any potential difference between the amounts paid and received by the Corporation as interest or other investment income in connection with the New Commercial Paper Notes or such investment or program of investment, as applicable.

These contracts and arrangements shall be entered into with the parties selected by the means, and contain the payment, security, default, remedy and other terms and conditions, determined by the officers executing such contracts and arrangements, in consultation with the Treasurer, after giving due consideration to the creditworthiness of the counterparties, in applicable situations, including any rating by a nationally recognized rating agency or other criteria as may be appropriate.

This Board hereby determines that the contracts authorized hereby are designed to reduce the amount or duration of payment, rate, spread or similar risk when used in combination with the issuance of the New Commercial Paper Notes and to enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incidental to, the contract or arrangement that is entered into.

Section 7. The Authorized Representatives of the County are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such amendments, documents and certificates as may be necessary to effectuate the purposes of this Resolution.

Section 8. All actions heretofore taken by any Authorized Representative of the County with respect to any of the documents, agreements or matters referred to in Sections 1 through 7 hereof, including but not limited to the employment or retention of attorneys and consultants, are hereby approved, confirmed and ratified.

This resolution shall take effect immediately upon its passage.

The foregoing resolution was on the 6th day of April, 2010, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer - Clerk of
the Board of Supervisors
of the County of Los Angeles

By: Lachelle Amitheman
Deputy

Approved as to form:

ANDREA SHERIDAN ORDIN
County Counsel

By: Andrea Sheridan Ordin
Principal Deputy County Counsel



EXHIBIT A-1

**PROPOSED FORM OF BANK OF AMERICA LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT**

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of April 1, 2010

among

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
COUNTY OF LOS ANGELES, CALIFORNIA

and

BANK OF AMERICA, N.A.

relating to

\$75,000,000 aggregate principal amount of
Los Angeles County Capital Asset Leasing Corporation
Lease Revenue Commercial Paper Notes

TABLE OF CONTENTS

| SECTION | HEADING | PAGE |
|---------------|---|------|
| ARTICLE I | DEFINITIONS | 1 |
| Section 1.1. | Certain Defined Terms..... | 1 |
| Section 1.2. | Computation of Time Periods..... | 9 |
| Section 1.3. | Accounting Terms..... | 10 |
| Section 1.4. | Terms Defined in Trust Agreement | 10 |
| Section 1.5. | Construction..... | 10 |
| ARTICLE II | AMOUNT AND TERMS OF THE LETTER OF CREDIT | 10 |
| Section 2.1. | The Letter of Credit | 10 |
| Section 2.2. | Issuance of the Letter of Credit..... | 10 |
| Section 2.3. | Letter of Credit Fees | 10 |
| Section 2.4. | Payment of Amounts Drawn on Letter of Credit..... | 11 |
| Section 2.5. | Principal Advances | 11 |
| Section 2.6. | Conversion of Principal Advances to Term Loans; Term Loans; Default Advances | 11 |
| Section 2.7. | Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts..... | 12 |
| Section 2.8. | Increased Costs; Capital Adequacy | 13 |
| Section 2.9. | Net of Taxes, Etc..... | 15 |
| Section 2.10. | Payments and Computations..... | 16 |
| Section 2.11. | Extension of Letter of Credit Expiration Date; Reduction in Stated Amount | 18 |
| Section 2.12. | Evidence of Debt; Revolving Note | 18 |
| Section 2.13. | Obligations Absolute | 19 |
| Section 2.14. | Termination; Acceptance of Alternate Credit Facility..... | 19 |
| Section 2.15. | Pledge by the Corporation | 20 |
| Section 2.15. | Maximum Interest Rate; Payment of Fee | 20 |
| Section 2.16. | Adjustment of Base Rental | 21 |
| ARTICLE III | CONDITIONS OF ISSUANCE | 21 |
| Section 3.1. | Conditions Precedent to Issuance of the Letter of Credit | 21 |
| Section 3.2. | Conditions Precedent to Each Credit Event..... | 23 |
| Section 3.3. | No-Issuance Notice; Final Drawing Notice..... | 24 |
| ARTICLE IV | REPRESENTATIONS AND WARRANTIES..... | 24 |
| Section 4.1. | County Representations and Warranties..... | 24 |
| Section 4.2. | Corporation Representations and Warranties | 28 |
| ARTICLE V | COVENANTS..... | 31 |
| Section 5.1. | Covenants..... | 31 |

| | | |
|---------------|---|----|
| ARTICLE VI | EVENTS OF DEFAULT | 36 |
| Section 6.1. | Events of Default | 36 |
| Section 6.2. | Upon an Event of Default | 38 |
| ARTICLE VII | MISCELLANEOUS | 39 |
| Section 7.1. | Amendments and Waivers | 39 |
| Section 7.2. | Notices | 39 |
| Section 7.3. | No Waiver; Remedies | 40 |
| Section 7.4. | Indemnification | 40 |
| Section 7.5. | Liability of the Bank | 41 |
| Section 7.6. | Expenses; Documentary Taxes | 42 |
| Section 7.7. | Binding Effect | 42 |
| Section 7.8. | Severability | 42 |
| Section 7.9. | Approvals | 43 |
| Section 7.10. | Governing Law and Jurisdiction | 43 |
| Section 7.11. | Headings | 43 |
| Section 7.12. | Counterparts | 43 |
| Section 7.13. | Integration | 43 |
| EXHIBIT A | – Form of Letter of Credit | |
| EXHIBIT B | – Form of Revolving Note | |
| EXHIBIT C | – Form of Request for Extension | |
| EXHIBIT D | – Form of Request for Decrease in Stated Amount | |

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of April 1, 2010, among the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the “*Corporation*”), the COUNTY OF LOS ANGELES, CALIFORNIA (the “*County*”) and BANK OF AMERICA, N.A. (together with its successors and assigns, the “*Bank*”).

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated April 26, 2010, by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “*Trustee*”) as it is from time to time amended, supplemented, waived and modified in accordance therewith and with Section 5.1(b) hereof (collectively, the “*Trust Agreement*”), may from time to time issue up to \$75,000,000 in aggregate principal amount outstanding at any time of its Lease Revenue Commercial Paper Notes (the “*Notes*” and each, a “*Note*”);

WHEREAS, the Trust Agreement provides, as a condition precedent to the issuance of the Notes, for delivery to the Issuing and Paying Agent (as defined in the Trust Agreement) of a letter of credit with respect to the Notes; and

WHEREAS, the Bank has agreed to issue its letter of credit pursuant to this Agreement;

NOW THEREFORE, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. The following terms, as used herein, have the following meanings:

“*Advance*” means any Principal Advance or Default Advance.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” has the meaning set forth in the Trust Agreement.

“*Amortization Period*” has the meaning set forth in Section 2.6(b).

“*Applicable Letter of Credit Fee*” means, as of any date, the percentage per annum set forth below opposite the rating level (or, in the event of split ratings, the lowest rating level) applicable on such date to the County’s unenhanced General Obligation Debt:

| | RATINGS OF COUNTY'S UNENHANCED GENERAL OBLIGATION DEBT (S&P/MOODY'S) | APPLICABLE LETTER OF CREDIT FEE |
|---------|--|------------------------------------|
| Level 1 | A+/A1 or higher | 1.25% |
| Level 2 | A/A2 | 1.40% |
| Level 3 | A-/A3 | 1.55% |
| Level 4 | BBB+/Baa1 | 1.70% |
| Level 5 | BBB/Baa1 | 1.85% |
| Level 6 | BBB-/Baa3 | 2.00% |

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by S&P or Moody’s to any unenhanced General Obligation Debt of the County (without giving effect to any bond insurance policy or other credit enhancement securing such General Obligation Debt). In the event of a split Rating (i.e. one of the foregoing Rating Agency’s Rating is at a different level than the Rating of either of the other Rating Agencies), the Applicable Letter of Credit Fee shall be based upon the level in which the lowest rating appears. Any change in the Applicable Letter of Credit Fee resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Corporation and County acknowledge, and the Bank agrees, that as of the Closing Date the Applicable Letter of Credit Fee is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default, the Applicable Letter of Credit Fee shall be increased by an additional one and one-half of one percent (1.50%) from the rate then in effect upon the occurrence of such Event of Default. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Applicable Letter of Credit Fees from the date payment is due until payment in full at the Default Rate.

“*Bank*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Base Rate*” means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus two percent (2.0%), (b) the Prime Rate plus one and one-half of one percent (1.50%) and (c) seven and one-half of one percent (7.50%).

“*Base Rental*” has the meaning set forth in the Trust Agreement.

“*Base Rental Period*” has the meaning set forth in the Sublease.

“*Business Day*” means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the Corporation and state in which demands for payment may be presented under the Letter of Credit.

“*CAFR*” has the meaning set forth in Section 5.1(a)(i).

“*Component*” has the meaning set forth in the Sublease.

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation, or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Corporation*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Corporation Representative*” has the meaning set forth in the Trust Agreement.

“*County*” means the County of Los Angeles, California, and its successors and assigns.

“*County Representative*” has the meaning set forth in the Trust Agreement.

“*Credit Event*” means any one of the following: the issuance of the Letter of Credit; the making of any Principal Advance; or the conversion of a Principal Advance to a Term Loan.

“*Date of Issuance*” means the date on which the conditions precedent set forth in Section 3.1 of this Agreement are met or waived by the Bank and the Letter of Credit is issued.

“*Dealer*” means, with respect to the Notes, each and every Dealer appointed by the Corporation pursuant to a Dealer Agreement, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Notes appointed by the Corporation.

“*Dealer Agreement*” means, collectively, each Commercial Paper Dealer Agreement, by and among the Corporation, the County and one of _____, _____, and _____, respectively, as a Dealer, providing for the acceptance by such Dealer of the duties and obligations imposed thereby and imposing certain other duties and obligations, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; (i) all Contingent Obligations of such Person; and (j) obligation of such Person due and payable under Swap Contracts; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business; and *provided, further*, however that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the General Fund of the County.

“*Decrease Date*” means each Decrease Date set forth in a Notice of Decrease in Stated Amount.

“*Default*” means an event that with the giving of notice or passage of time, or both, shall constitute an Event of Default.

“*Default Advance*” or “*Default Advances*” each has the meaning assigned that term in Section 2.6(c).

“*Default Rate*” means, on any particular date, a rate of interest per annum equal to three percent (3.0%) per annum in excess of the Base Rate in effect on such date.

“*Drawing*” has the meaning assigned to that term in the Letter of Credit.

“*Effective Date*” means April __, 2010

“*Environmental Laws*” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants,

franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“*ERISA*” - means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*Event of Default*” has the meaning assigned that term in Section 6.1.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*Final Drawing Notice*” has the meaning set forth in the Letter of Credit.

“*Fiscal Year*” means the twelve-month period commencing on July 1 of each year; *provided, however*, that the County may, from time to time, agree on a different twelve-month period as the Fiscal Year.

“*General Obligation Debt*” means any Debt of the County, the payment of which is secured by the full faith and credit of the County.

“*Initial Letter of Credit Expiration Date*” means _____, 2013.

“*Issuing and Paying Agent Agreement*” means the Amended and Restated Issuing and Paying Agent Agreement, dated April 26, 2010, between the Corporation and Deutsche Bank National Trust Company, as Issuing and Paying Agent for the Notes, providing for the acceptance by such Issuing and Paying Agent of the duties and obligations imposed thereby and imposing certain other duties and obligations, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

“*Issuing and Paying Agent*” means the Issuing and Paying Agent appointed with respect to the Notes pursuant to Article V of the Trust Agreement, and having the duties, responsibilities and rights provided for therein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“JPMC Reimbursement Agreement” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and JPMorgan Chase Bank, National Association.

“Letter of Credit” means an irrevocable direct-pay letter of credit issued by the Bank, in substantially the form of Exhibit A hereto.

“Letter of Credit Expiration Date” has the meaning assigned to that term in the Letter of Credit.

“Material County Debt” means any Debt of the County that is outstanding in a principal amount of \$50,000,000 or more.

“Maximum Base Rental” has the meaning set forth in the Sublease.

“Maximum Rate” means twelve percent (12%) per annum.

“Minimum Required Rental Payment” has the meaning set forth in the Sublease.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“No-Issuance Notice” has the meaning assigned that term in Section 3.3.

“Note” and *“Notes”* each has the meaning assigned in the first recital of this Agreement.

“Notice of Decrease in Stated Amount” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex F to the Letter of Credit.

“Notice of Extension” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex E to the Letter of Credit.

“Offering Memorandum” means the offering memorandum with respect to the Notes.

“Original Stated Amount” means \$75,000,000.

“Other Reimbursement Agreements” means the JPMC Reimbursement Agreement, the Union Bank Reimbursement Agreement and the Wells Reimbursement Agreement.

“Outstanding” when used in reference to Notes means, as of a particular date, all Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Note cancelled at or before such date, (ii) any Note deemed to have been paid in accordance with the Trust

Agreement and (iii) any Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“Participant Bank” means any institution to which the Bank has granted a participation in or assigned, sold, or otherwise transferred the whole or any part of the Bank’s rights or obligations (or both) under this Agreement or any other Related Document.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” - means, with respect to the Corporation at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Pledged Property” has the meaning set forth in the Trust Agreement.

“Prime Rate” means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Principal Advance” and *“Principal Advances”* each has the meaning assigned to that term in Section 2.5.

“Principal Advance Rate” means, on any particular date, a rate of interest calculated with respect to a particular Principal Advance equal to the Base Rate in effect for such date; *provided, however,* that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, *“Principal Advance Rate”* shall mean the Default Rate; *provided, further,* that at no time shall the Principal Advance Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“Property” has the meaning set forth in the Trust Agreement.

“Quarterly Payment Date” means the first day of each January, April, July and October.

“Rating Agency” means Moody’s or S&P.

“Reimbursement Obligations” means any and all amounts including, but not limited to, fees, expenses, amounts drawn under the Letter of Credit, Principal Advances, Term Loans and Default Advances, which may from time to time be owing by the Corporation to the Bank under this Agreement.

“Related Documents” means the Trust Agreement, the Letter of Credit, this Agreement, the Notes, the Revolving Note, the Issuing and Paying Agent Agreement, the Site Lease, the Sublease and the Dealer Agreements.

“Rental Payments” has the meaning set forth in the Sublease.

“Request for Decrease in the Stated Amount” means a notice from the Corporation to the Bank substantially in the form of Exhibit D attached hereto.

“Request for Extension” means a notice from the Corporation to the Bank substantially in the form of Exhibit C attached hereto.

“Revolving Note” means the Corporation’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.12 hereof, to evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“Site Lease” means the Amended and Restated Site Lease dated April 26, 2010, by and between the County and the Corporation, as from time to time amended or supplemented in accordance therewith and with Section 5.1(b) hereof.

“State” means the State of California.

“Stated Amount” has the meaning assigned that term in the Letter of Credit.

“Sublease” means the Amended and Restated Sublease dated April 26, 2010, by and between the County and the Corporation, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“Sublease Term” has the meaning set forth in the Sublease.

“Swap Contract” - means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing),

whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” has the meaning assigned that term in Section 2.9(a).

“*Termination Date*” has the meaning assigned to that term in the Letter of Credit.

“*Term Loan*” and “*Term Loans*” each has the meaning assigned that term in Section 2.6(a).

“*Term Loan Conversion Date*” has the meaning assigned that term in Section 2.6(a).

“*Term Loan Rate*” means, on any particular date, a rate of interest calculated with respect to a particular Term Loan equal to the Base Rate from time to time in effect plus one percent (1.0%) per annum; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Term Loan Rate*” shall mean the Default Rate; *provided, further*, that at no time shall the Term Loan Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“*Trust Agreement*” has the meaning assigned in the first recital of this Agreement.

“*Trustee*” means Deutsche Bank National Trust Company, and its successor or successors, and any other person that may at any time be substituted in its place pursuant to the Trust Agreement.

“*Union Bank Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Union Bank, N.A.

“*Wells Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Wells Fargo Bank, National Association.

Section 1.2. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” Unless specified otherwise, all references to time shall mean Los Angeles time.

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted United States accounting principles consistently applied.

Section 1.4. Terms Defined in Trust Agreement. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Trust Agreement.

Section 1.5. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.1. The Letter of Credit. The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Issuing and Paying Agent in the Stated Amount and expiring by its terms not later than the Letter of Credit Expiration Date.

Section 2.2. Issuance of the Letter of Credit. The Bank will issue the Letter of Credit to the Issuing and Paying Agent on the Date of Issuance upon fulfillment of the applicable conditions precedent set forth in Section 3.1.

Section 2.3. Letter of Credit Fees. The Corporation shall pay or cause to be paid to the Bank:

(a) an annual letter of credit fee equal to Applicable Letter of Credit Fee applied to the Stated Amount in effect from time to time for the period from the Effective Date to and including the Letter of Credit Expiration Date;

(b) on the date of each drawing under the Letter of Credit, a draw fee of \$250; *provided, however,* that the Corporation shall not be required to pay more than \$1,500 in draw fees during any twelve-month period following the Date of Issuance or any anniversary thereof; and

(c) upon any amendment, modification, transfer or extension of the Letter of Credit, the Bank's reasonable and customary administrative fees;

The fees set forth in Section 2.3(a) above shall be computed using a 360-day year for the actual number of days elapsed, and shall be payable quarterly in arrears, commencing on **[July 1]**, 2010, and thereafter on each Quarterly Payment Date and on the Termination Date.

Section 2.4. Payment of Amounts Drawn on Letter of Credit. (a) The Corporation shall pay or cause to be paid to the Bank an amount equal to that amount drawn on the Bank under the Letter of Credit pursuant to any Drawing with respect to the payment of accrued interest on maturing Notes or, subject to the provisions of Section 2.5 hereof, any Drawing with respect to the payment of principal of maturing Notes, on the same Business Day such drawing is honored.

(b) Any amount drawn under the Letter of Credit pursuant to a Drawing that is not repaid to the Bank when due as provided in clause (a) of Section 2.4, shall bear interest at the Default Rate until paid in full, payable on demand. Principal Advances, Term Loans and Default Advances shall be repaid to the Bank as provided in Sections 2.5 and 2.6 hereof.

(c) Any amount drawn under the Letter of Credit shall be noted by the Bank as principal due and owing on the grid attached to the Revolving Note pursuant to Section 2.12.

Section 2.5. Principal Advances. If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions precedent set forth in Section 3.2 shall have been fulfilled, and the Corporation (at its option) does not reimburse or cause to be reimbursed the Bank in connection therewith on the same Business Day, then such payment shall constitute a principal advance made by the Bank to the Corporation on the date and in the amount of such payment (each such advance being a "Principal Advance" and, collectively, the "Principal Advances"). The Corporation shall pay or cause to be paid interest on the unpaid amount of each Principal Advance from the date that such Principal Advance is made by the Bank until such amount is repaid in full.

Section 2.6. Conversion of Principal Advances to Term Loans; Term Loans; Default Advances. (a) Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, any amount of a Principal Advance (but not a Default Advance) remaining unpaid by the Corporation to the Bank under Section 2.5 on the earlier of (x) the ninetieth day after the date on which such Principal Advance was made and (y) the Termination Date (the "Term Loan Conversion Date") shall be converted to a term loan (each, a "Term Loan" and, collectively, the "Term Loans").

(b) The Corporation shall repay or cause to be repaid the principal amount of each Term Loan in installments as to principal, commencing on the first Quarterly Payment Date commencing after the Term Loan Conversion Date and on each Quarterly Payment Date thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the date which is the earlier of (i) the fifth anniversary of such Term Loan Conversion Date and (ii) the second anniversary of the Termination Date (the foregoing period with respect to each Term Loan herein referred to as an "Amortization Period"). The principal amount of each Term Loan shall be amortized over the

related Amortization Period in equal quarterly installments of principal; *provided, however*, that the unpaid amount of each Term Loan shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for the corresponding Base Rental Period, and to the extent not so repaid, such Term Loan shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Term Loan shall continue to be an obligation of the County pursuant to the Sublease. The Corporation may prepay or cause to be prepaid the outstanding amount of any Term Loan in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to the conversion of a Principal Advance to a Term Loan. Each Term Loan shall bear interest at the Term Loan Rate, payable monthly in arrears on the first day of each calendar month during the term of such Term Loan and on the date on which the final installment of principal of the Term Loan is payable or, if such Term Loan bears interest at the Default Rate, upon demand.

(c) If (i) the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions set forth in Section 3.2 shall not have been fulfilled, and the Corporation fails to reimburse or cause to be reimbursed the Bank in connection therewith, (ii) the Bank shall have made a Principal Advance to the Corporation and the conditions set forth in Section 3.2 shall not have been fulfilled on the Term Loan Conversion Date or (iii) an Event of Default shall have occurred while any Principal Advance remains outstanding, such payment or Principal Advance shall constitute a default advance (and not a Principal Advance) made by the Bank to the Corporation from and after the date and in the amount of such payment under the Letter of Credit or such other date on which any event described in clauses (i), (ii) or (iii) above shall occur (each such default advance being a “*Default Advance*” and, collectively, the “*Default Advances*”). The Corporation hereby agrees to pay or cause to be paid to the Bank (i) interest at the Default Rate on any amount of the Default Advance remaining unpaid by the Corporation to the Bank from the date of such Default Advance until payment in full, payable in arrears, upon demand, and (ii) the unpaid amount of each Default Advance immediately upon demand by the Bank but if no demand is made, then on each Quarterly Payment Date in an amount equal to the then fair rental value with respect to the Components subject to the Sublease for such quarterly period; *provided, however*, that the unpaid amount of each Default Advance shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period, and to the extent not so repaid, such Default Advance shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Default Advance shall continue to be an obligation of the County pursuant to the Sublease.

Section 2.7. Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts. (a) The Corporation may prepay or cause to be prepaid the amount of any Principal Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid. Any prepayment in part under this Section 2.7(a)

shall be applied by the Bank against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

(b) Any prepayment made under Section 2.7(a) shall be applied by the Bank as a reimbursement of the related drawing (and as a prepayment of the Principal Advance or Term Loan, as the case may be, resulting from such drawing) and, in the case of a prepayment of a Principal Advance, the Corporation irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided, however,* that the Issuing and Paying Agent shall not deliver any Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to repayments of Term Loans or Default Advances, unless otherwise agreed to by the Bank.

(c) In the event that the Issuing and Paying Agent delivers any Notes while any Principal Advance or Term Loan or any portion of any Principal Advance or Term Loan remains unpaid, the Corporation shall apply the proceeds of any such Notes to the prepayment of such outstanding Principal Advance or Term Loan, as the case may be. Any prepayment in part under this Section 2.7(c) shall be applied against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

Section 2.8. Increased Costs; Capital Adequacy. (a) In the event of the adoption after the date hereof of any law, rule or regulation (domestic or foreign), or any change after the date hereof in any law, rule or regulation, or the interpretation or application thereof by any court, governmental authority, central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any governmental authority, central bank or comparable authority (whether or not having the force of law):

(i) subjects the Bank or any Participant Bank to any tax, deduction or withholding with respect to this Agreement, the Letter of Credit or the Revolving Note (other than any tax based upon the overall net income of the Bank or such Participant Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits (including letters of credit) or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank or any Participant Bank, or

(iii) imposes upon the Bank or any Participant Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank or such Participant Bank hereunder, the Letter of Credit or the Revolving Note,

and the result of any of the foregoing is to increase the cost to the Bank or such Participant Bank, reduce the income receivable by the Bank or such Participant Bank, impose any expense upon the Bank or such Participant Bank or reduce the amount of any payment receivable by the Bank or such Participant Bank, with respect to this Agreement, the Letter of Credit or the Revolving Note, as reasonably determined and allocated by the Bank or such Participant Bank, by an amount which the Bank or such Participant Bank deems to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank or such Participant Bank of the nature described in the next sentence, and the Corporation or the County, on behalf of the Corporation, shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such increase in cost, reduction in income, additional expense or reduced amount. A certificate setting forth such increase in cost, reduction in income or additional expense or reduced amount (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(b) If the Bank or any Participant Bank shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy, or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any Participant Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of the Bank or such Participant Bank as a consequence of its rights or obligations hereunder, under the Letter of Credit or with respect to the Revolving Note to a level below that which the Bank or such Participant Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Corporation shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such reduction in rate of return on capital. A certificate setting forth such reduction in rate of return on capital (including such detail as the Corporation or the County may reasonably request), and the manner

of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(c) The Bank shall notify the Corporation and the County of any such impending or announced change in law, regulation or interpretation referred to in subsection (a) or (b) of this Section 2.8 promptly upon receipt by it of actual notice of such change; *provided, however*, that any delay or failure to so notify the Corporation or the County shall not in any manner relieve the Corporation or the County of their obligations under this Section 2.8. Notwithstanding anything contained in paragraphs (a) and (b) of this Section 2.8, the Corporation and the County shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one hundred eighty (180) days prior to the date that the above described notice is given to the Corporation and the County with respect thereto (the “*Cut-Off Date*”), except where (A) the Bank had no actual knowledge of the action resulting in such increased costs, increased capital or reduction in return as of the Cut-Off Date or (B) such increased costs, increased capital or reduction in return apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) Notwithstanding anything to the contrary in this Section 2.8, in the event the Bank grants any participation to any Participant Bank pursuant to Section 7.7(b) hereof, neither the Corporation nor the County shall have any obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Bank had not granted such participation.

(e) The obligations of the County and Corporation under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9. Net of Taxes, Etc.

(a) *Taxes.* Any and all payments to the Bank by the Corporation hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If the Corporation shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.9), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Corporation shall make such deductions and (iii) the Corporation shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Corporation shall make any payment under this

Section 2.9 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Corporation an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Corporation with respect to such Taxes. In addition, the Corporation agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the Corporation within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Corporation to the Bank hereunder *provided* that the Bank’s failure to send such notice shall not relieve the Corporation of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Corporation shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.9 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Corporation shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank’s negligence or willful misconduct. The Bank agrees to give notice to the Corporation of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the Corporation promptly of such assertion shall not relieve the Corporation of its obligation under this Section 2.9. Payments by the Corporation pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Corporation any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Corporation pursuant to this Section 2.9 received by the Bank for Taxes or Other Taxes that were paid by the Corporation pursuant to this Section 2.9 and to contest, with the cooperation and at the expense of the Corporation, any such Taxes or Other Taxes which the Bank or the Corporation reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the Corporation, the Corporation shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the Corporation under this Section 2.9 shall survive the termination of this Agreement.

Section 2.10. Payments and Computations. (a) The Corporation shall make or cause to be made each payment hereunder (i) representing reimbursement pursuant to Section 2.4 hereof to the Bank of the amount drawn on the Bank pursuant to a Drawing made under the Letter of

Credit not later than 1:00 P.M., Los Angeles time, and (ii) not later than 10:00 A.M., Los Angeles time, for all other payments, on the day when due, in lawful money of the United States of America to the account of the Bank set forth in Section 2.10(c) in immediately available funds; *provided, however*, that whenever any payment hereunder shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time; and *provided, further* that the Corporation shall be permitted to make any payment pursuant to Section 2.3 in next day funds if such payment is made (i) on the Business Day immediately preceding the date on which such payment would otherwise have been due and (ii) in an amount equal to the amount that would have been required to have been paid had the payment not been made in next day funds in reliance upon this proviso. Payment received by the Bank after the applicable time set forth in this Section 2.10 shall be considered to have been made on the next succeeding Business Day. All computations of interest payable by the Corporation hereunder shall be made on the basis of a year of 365 days, as the case may be, and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. All computations of fees payable by the Corporation hereunder shall be made on the basis of a 360 day year but calculated on the actual number of days elapsed.

(b) Unless otherwise provided herein, any amount payable by the Corporation hereunder that is not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Bank.

(c) Payments under this Agreement shall be made to the Bank as follows:

Payments due to the Bank related to drawings under the Letter of Credit or payment of Letter of Credit fees should be made to the Bank at: ABA#: _____ for credit to A/C#: _____, Ref Letter of Credit No. _____, Attn: _____.

Section 2.11. Extension of Letter of Credit Expiration Date; Reduction in Stated Amount.

(a) On the Date of Issuance, the Letter of Credit Expiration Date shall be the Initial Letter of Credit Expiration Date. The Letter of Credit Expiration Date shall be subject to extension at any time following the then scheduled Letter of Credit Expiration Date, as set forth below and in the Letter of Credit. At least 90 days but not more than 120 days prior to the Letter of Credit Expiration Date, the Corporation and the County may request in writing that the Bank extend the Letter of Credit Expiration Date for an additional term of one year or such other period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify the Corporation and the County in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period, the Letter of Credit Expiration Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Letter of Credit Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify the Corporation, the Bank shall be deemed to have denied any such extension.

(b) *Reduction in Stated Amount.* The Corporation and the County may elect to reduce the Stated Amount of the Letter of Credit from time to time prior to the Letter of Credit Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice in the form attached to the Letter of Credit as Annex F, thereby reducing the Stated Amount, all as set forth in the Letter of Credit. Upon such reduction, the Stated Amount of the Letter of Credit shall not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

Section 2.12. Evidence of Debt; Revolving Note. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Corporation resulting from each drawing under the Letter of Credit and from each Advance and Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations of the Corporation therein recorded. To evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, the Corporation will issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity schedule therefor pursuant to Sections 2.5 and 2.6 respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of the Revolving Note.

Section 2.13. Obligations Absolute. The obligations of the Corporation under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms thereof, under all circumstances whatsoever, including without limitation the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment to, waiver of or consent to departure from any provision of, this Agreement or any of the Related Documents;
- (c) the existence of any claim, set-off, defense or other right which the Corporation or the County may have at any time against the Trustee, the Issuing and Paying Agent, the Dealer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement), any beneficiary or any transferee of the Letter of Credit (or any person or entity for whom any such beneficiary or any such transferee may be acting) or any other Person, whether in connection with this Agreement, any Related Document or any unrelated transaction;
- (d) any demand, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) any non-application or misapplication by the Issuing and Paying Agent of the proceeds of any drawing under the Letter of Credit;
- (f) payment by the Bank under the Letter of Credit to the person entitled thereto against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit; *provided* that such payment shall not have been the result of the gross negligence or willful misconduct of the Bank; or
- (g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding the foregoing, the obligations of the Corporation under this Agreement are a special obligation of the Corporation payable solely from the Pledged Property. To the extent the County pays any obligation of the Corporation under this Agreement, such payment shall be deemed to be payment by the Corporation of such obligation.

Section 2.14. Termination; Acceptance of Alternate Credit Facility. Notwithstanding any provision of this Agreement or the Letter of Credit to the contrary, the Corporation nor the County shall may terminate or replace the Letter of Credit prior to the Letter of Credit Expiration Date except upon (i) the payment to the Bank of a termination fee in an amount equal to the Applicable Letter of Credit Fee (based upon a Stated Amount in an amount equal to that in effect on the Date of Issuance) for three years, less the actual amount of Applicable Letter of Credit Fees the Corporation has previously paid to the Bank (the "*Termination Fee*"), (ii) the payment to the Bank of all fees, expenses and other amounts payable hereunder, (iii) the payment to the

Bank of all principal and accrued interest owing on the Revolving Note, and (iv) providing the Bank notice of its intention to do so at least sixty (60) days prior to the date of such termination or replacement; *provided* that all payments to the Bank referred to in clauses (i), (ii) and (iii) above shall be made with immediately available funds. Notwithstanding any provisions of this Section 2.14 to the contrary, the Corporation may terminate or replace the Letter of Credit in accordance with the Trust Indenture at any time without paying the Termination Fee (i) if any two of the following (A), (B) or (C) shall have occurred: (A) if the Bank is then rated by Moody's, the date on which Moody's shall have lowered or withdrawn the short-term rating on the Bank below "P-1," (B) if the Bank is then rated by S&P, the date on which S&P shall have lowered or withdrawn the short-term rating on the Bank below "A-1," or (C) if the Bank is then rated by Fitch, the date on which Fitch shall have lowered or withdrawn the short-term rating on the Bank below "F-1;" or (ii) upon the prepayment or refunding of the Notes with the proceeds of long-term bonds fixed to maturity.

Section 2.15. Pledge by the Corporation. (a) To provide security to the Bank for the payment by the Corporation of the Reimbursement Obligations and any and all amounts now or hereafter owing to the Bank under this Agreement and the Revolving Note, the Corporation has pledged to the Bank the Pledged Property pursuant to the Trust Agreement and as evidenced by the Assignment Agreement and all right, title and interest in all funds in the Issuing and Paying Agent Fund.

(b) The Corporation's obligation to pay Reimbursement Obligations, including the Revolving Note, shall be a special obligation of the Corporation payable solely from the moneys pledged to the payment thereof pursuant to the Trust Agreement and this Agreement.

(c) The pledges made hereby are valid, binding and perfected from the time when they are made and property so pledged shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act, and the lien of such pledges shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No instrument by which such pledges are created nor any financing statement need be recorded or filed.

Section 2.16. Maximum Interest Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed any maximum interest rate payable by law for any period for which interest is payable, then (i) interest at such maximum interest rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such maximum interest rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such maximum interest rate, at which time the Corporation shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such maximum interest rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. On the later of (i) the Termination Date and (ii) the date that all Reimbursement Obligations are payable hereunder, in

consideration for any limitation of the rate of interest which may otherwise be payable hereunder, the Corporation shall pay or cause to be paid to the Bank a fee equal to the amount of all unpaid deferred Excess Interest (the “*Excess Interest Fee*”); *provided* that the Excess Interest Fee shall be payable as and to the extent that the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period exceeds the sum of all other Reimbursement Obligations remaining unpaid hereunder and the amount of interest accruing on the Notes during such Base Rental Period.

Section 2.17. Adjustment of Base Rental. (a) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, the County and the Corporation shall increase the amount of the Base Rental payable under the Sublease for the Property to the greater of (i) the Maximum Base Rental for the Property or (ii) the maximum fair rental value of the Property determined in accordance with subsection (b) below.

(b) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, unless the Sublease has terminated in accordance with its terms, the County and the Corporation agree, at the Bank’s sole written request, from time to time (but not more than once in any twelve month period), to determine or cause to be determined, the fair rental value for one or more Components. Such determination shall be by any method that the Bank may reasonably request, subject to the reasonable approval of such method by the County, the Corporation and bond counsel, including a Class C appraisal and shall be at the sole expense of the County and the Corporation. In addition, the County and the Corporation agree to extend the term of (i) the Site Lease in accordance with Section 4 thereof and (ii) the Sublease in accordance with Section 2.2 thereof, if, on the stated expiration thereof, any amounts remain owing to the Bank hereunder or under any of the other Related Documents.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.1. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions precedent on or before the Date of Issuance in form and substance and in a manner satisfactory to the Bank:

(a) The Bank shall have received:

(i) Certified copies of the resolutions of the Corporation and the County approving this Agreement, the other Related Documents and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of the Corporation and the County, instruments,

governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

(ii) A certificate of the Corporation and the County stating the names and true signatures of the officers of the Corporation and the County authorized to sign this Agreement and the other documents to be delivered by the Corporation and the County hereunder.

(iii) Executed or conformed copies of each of the Related Documents in form and substance satisfactory to the Bank.

(iv) A letter addressed to the Bank from Note Counsel, entitling the Bank to rely on such firm's approving Note opinion addressed to the Corporation.

(v) Evidence that the rating assigned to the Notes by S&P is A-1+ and by Moody's is P-1.

(vi) The Revolving Note duly executed and delivered by the Corporation to the Bank.

(vii) A certificate of the County setting forth the annual fair rental value of each Component.

(viii) Certificates of the Corporation and the County stating that (A) on the Date of Issuance, no event has occurred and is continuing, or would result from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and that (B) on the Date of Issuance and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Corporation and the County contained herein or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(ix) An opinion of the County Counsel, as counsel to the Corporation, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(x) An opinion of the County Counsel, as counsel to the County, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xi) Audited financial statements for the County for the two most recently available fiscal years and the most recent operating budget summaries for the County's General Fund for the current fiscal year.

(xii) Evidence of title insurance on the Components in the form of a CLTA leasehold policy (10-21-87) of title insurance insuring the Trustee and naming the Bank as an additional insured, in an amount not less than the Commitment, subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including such endorsements as may be reasonably required by the Bank, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(xiii) Evidence of the County's current hazard and rental interruption insurance for the Components, and such insurance shall be satisfactory to the Bank. The Bank shall also have received a certificate from the County stating that the County's current policies of insurance and any self-insurance or alternative risk management programs maintained by the County comply with the provisions of Section 4.3 of the Sublease and Sections 5.1(u) hereof. Any such commercial insurance policies shall name the Bank as loss payee and additional insured and shall be issued by insurers rated "A" or better by Best's or approved by the Bank.

(xiv) A copy of the investment policy of the County.

(xv) Certificates of the Trustee and the Issuing and Paying Agent evidencing the signatures and offices of officers of each executing the Related Documents and with respect to the Issuing and Paying Agent, authorized to draw on the Letter of Credit, and with respect to such other matters as the Bank may reasonably request, and an opinion of counsel to each of the Issuing and Paying Agent and the Trustee, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xvi) Such other documents, certificates, opinions, approvals and filings with respect to the Related Documents and this Agreement as the Bank may reasonably request.

(b) All other legal matters pertaining to the execution and delivery of this Agreement, the Related Documents and the issuance of the first installment of the Notes shall be reasonably satisfactory to the Bank and its counsel.

(c) The Corporation shall have made payment to the Bank of all amounts due on the Date of Issuance under Section 7.6 hereof.

Section 3.2. Conditions Precedent to Each Credit Event. As a condition precedent to the occurrence of each Credit Event hereunder, including the initial Credit Event, the following conditions shall be satisfied on the date of such Credit Event:

(a) no Event of Default shall have occurred and be continuing; and

(b) the representations and warranties made by the Corporation and the County in Article 4 hereof (other than in Sections 4.1(g) and 4.2(g) hereof) shall be true and correct in all material respects on and as of such date, as if made on and as of such date.

On the occurrence of each Credit Event, the Corporation shall be deemed to have represented and warranted that the foregoing conditions precedent have been satisfied.

Section 3.3. No-Issuance Notice; Final Drawing Notice. The Bank may deliver a notice to the Issuing and Paying Agent in the form of (i) Annex H to the Letter of Credit (a “*Final Drawing Notice*”) or (ii) Annex G to the Letter of Credit (a “*No-Issuance Notice*”) at any time that the Bank shall have determined that (i) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 have not been satisfied or (ii) an Event of Default shall have occurred and be continuing. Upon receipt of such notice, the Issuing and Paying Agent shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded. Any such notice received after 7:00 A.M., Los Angeles time, on any day on which Notes are being issued, shall be deemed to have been received on the next succeeding day. The Bank shall not incur any liability as a result of the Bank’s giving of any No-Issuance Notice or Final Drawing Notice that, in its good faith judgment, the Bank determines to be in accordance with this Section 3.3. Notwithstanding anything in this Section 3.3 which may be to the contrary, a No-Issuance Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the County, Corporation and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. County Representations and Warranties. The County represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The County is validly existing as a political subdivision of the State, duly organized and validly existing under the Constitution of the State with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the County of this Agreement and the other Related Documents to which it is a party are within the County's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with, any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the County or by which the County or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the County (other than pursuant to such enumerated documents). The County is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the County, any agreement relating thereto, or any other contract or agreement (including its charter) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the County that would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the County is a party each constitutes a valid, binding and enforceable agreement of the County, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its organizational documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated by the Related Documents, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the County, threatened against or affecting, the County before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the County hereby makes to the Bank the same representations and warranties made by the County as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the County Administrative Officer, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the County is a party, or (ii) the performance by the County of its obligations under this Agreement or the other Related Documents to which the County is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property; Sublease.* The County has good and marketable fee simple title to all of the Components, subject only to Permitted Encumbrances. The Sublease is in full force and effect. The County, as lessee under the Sublease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the County’s obligations under the Sublease has been granted by the Corporation. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the County, as of the date this representation is made, that would have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of any of the Related Documents.

(l) *Financial Information.* The consolidated statement of financial position of the County as of June 30, 2009, as well as each CAFR of the County as of any more recent date, delivered to the Bank pursuant to this Agreement, fairly present the financial condition of the County as at such date and the results of the operations of the County for

the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, and since the date of such financial information, there has been no change in the business, financial condition, results of operations, or prospects of the County which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(m) *Legal Matters.* The County is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the County, non-compliance with which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Environmental Laws.* Except as otherwise disclosed to the Bank prior to the Date of Issuance and to the best knowledge of County after due inquiry, with respect to each of the Components, the County is in material compliance with all applicable Environmental Laws (except to the extent non-compliance would have no material adverse effect on the annual fair market rental value of any such Component) of which compliance includes, but is not limited to, the possession by the County of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. To its knowledge after due inquiry, the County has not received any written communication that alleges that the County is not in such compliance.

(o) *ERISA.* The County does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(p) *Regulations U and X.* The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(q) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(r) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(s) *Solvency.* The County is solvent.

Section 4.2. Corporation Representations and Warranties. The Corporation represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The Corporation is validly existing as a non-profit public benefit corporation under the laws of the State, including the State Constitution, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the Corporation of this Agreement, the Revolving Note and the other Related Documents to which it is a party are within the Corporation's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with (except as has previously been made), any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, articles of incorporation, bylaws, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the Corporation or by which the Corporation or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the Corporation (other than pursuant to such enumerated documents). The Corporation is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the Corporation, any agreement relating thereto, or any other contract or agreement (including its articles of incorporation and bylaws) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the Corporation that would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the Corporation is a party each constitutes a valid, binding and enforceable agreement of the Corporation, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its articles of incorporation or its bylaws or other similar documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the Corporation, threatened against or

affecting, the Corporation before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The Corporation does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the Corporation hereby makes to the Bank the same representations and warranties made by the Corporation as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the Treasurer of the Corporation, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the Corporation is a party, or (ii) the performance by the Corporation of its obligations under this Agreement or the other Related Documents to which the Corporation is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property.* The Corporation has good and marketable leasehold title to all of the Components pursuant to the Site Lease. The Site Lease is in full force and effect. The Corporation, as lessee under the Site Lease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the Corporation’s obligations under the Site Lease has been granted by the County. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse

of time or the happening of any further event or condition, would become a default under the Site Lease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the Corporation that would have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(l) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *Legal Matters.* The Corporation is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the Corporation, non-compliance with which would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Pledged Property.* The Trust Agreement creates a valid security interest in the Pledged Property as security for the punctual payment and performance of the obligations of the Corporation under this Agreement and under the Revolving Note.

(o) *Regulations U and X.* The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(p) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(q) *ERISA.* The Corporation does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(r) *Solvency.* The Corporation is solvent.

ARTICLE V

COVENANTS

Section 5.1. Covenants. The Corporation and the County each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The County and the Corporation will prepare or cause to be prepared and deliver to the Bank the following:

(i) as promptly as available (and in any event within 270 days following the end of each Fiscal Year of the County), the complete Comprehensive Annual Financial Report (“CAFR”) of the County, certified as to the fairness of presentation and conformity with generally accepted accounting principles by a recognized firm of independent certified public accountants;

(ii) concurrently with the delivery of each CAFR pursuant to (a)(i) above, upon the request of the Bank, a certificate from a County Representative certifying that such County Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing and a certificate from a the Corporation Representative certifying that such the Corporation Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing;

(iii) upon the request of the Bank, within ninety (90) days of proposal or adoption (as the case may be) of the most recently proposed or adopted annual operating budget of the County (as the case may be) with respect to the County’s General Fund, evidence that such annual operating budget with respect to the County’s General Fund includes therein as a separate line item all Minimum Required Rental Payments and Additional Payments due during such period, if not otherwise paid from capitalized interest funded by proceeds of the Notes; and

(iv) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the County or the Corporation, as the Bank may from time to time reasonably request.

All factual information hereinafter delivered by the Corporation or the County in writing to the Bank will be, to the knowledge of the authorized person delivering such information after reasonable inquiry, accurate and complete in all material respects on the date as of which such information is certified.

(b) *Amendments to Related Documents.* Without the prior written consent of the Bank, the Corporation and the County will not agree or consent to any amendment,

supplement, waiver or modification of any provision of any Related Document to which the Corporation or the County is a party that affects the rights, interests, security or remedies of the Bank hereunder.

(c) *Incorporation of Covenants by Reference.* The Corporation and the County each agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party, which provisions, as well as related defined terms contained herein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank.

(d) *Dealers; Issuing and Paying Agent.* The Corporation and the County will not, without the prior written consent of the Bank (which consent shall not be unreasonably withheld or delayed), appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent. The Corporation and the County shall at all times maintain one or more Dealers and an Issuing and Paying Agent under the Trust Agreement. The Corporation and the County shall cause the Dealers and the Issuing and Paying Agent to market, issue, and deliver, as applicable, Notes up to the Maximum Rate. If any Dealer fails to sell the Notes for sixty (60) consecutive days, then the Corporation and the County agree, at the written request of the Bank, to cause the applicable Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. Any dealer agreement with a successor Dealer shall provide that (a) such dealer may resign upon at least 60-days prior written notice to the County, Issuing and Paying Agent and the Bank and (b) such dealer shall use its best efforts to sell the Notes up to the Maximum Rate.

(e) *Outstanding Notes Plus All Interest to Accrue Thereon Not to Exceed Stated Amount; No Issuance after Receipt of No-Issuance Notice.* (i) The Corporation will instruct the Issuing and Paying Agent not to authenticate or deliver any Note if, immediately after the authentication and delivery of, and receipt of payment for, such Note, the sum of (1) the face value of all discount Notes and (2) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof, would exceed the Stated Amount. (ii) The Corporation will not instruct the Issuing and Paying Agent to authenticate or deliver any Note if the Issuance and Paying Agent has received a No-Issuance Notice or Final Drawing Notice, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded.

(f) *Defaults.* The Corporation and the County will promptly (and in any event within ten Business Days after becoming aware thereof) notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and,

to the extent a determination has been made, the action that the Corporation proposes to take with respect thereto.

(g) *Books, Records.* The Corporation and the County will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Corporation and the County, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances and accounts of the Corporation and the County with any representative or any other appropriate officer of the Corporation and the County or the Corporation's or the County's independent public accountants.

(h) *Other Obligations.* The Corporation and the County will each comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws, statutes and regulations binding upon it, noncompliance with which would materially adversely affect the Corporation's or the County's ability to perform its respective obligations under the Notes, this Agreement or any of the other Related Documents.

(i) *Litigation; Material Change.* The Corporation and the County shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could have a material adverse effect on (A) the ability of the Corporation or the County to perform their respective obligations hereunder or under the other Related Documents or (B) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(j) *Repayment of Drawings.* On and after the date of any drawing on the Letter of Credit, the Corporation will use its best efforts to cause the Dealer to sell Notes as soon as practicable and to use the proceeds of the sale of such Notes to repay such drawing.

(k) *Obligations under Related Documents.* The Corporation and the County shall take all actions as may be reasonably requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(l) *Replacement of Certain Entities.* The Corporation shall obtain the prior written consent of the Bank to the replacement of the Issuing and Paying Agent or the Dealer, which consent shall not be unreasonably withheld or delayed. The Corporation and the County shall provide the Bank with prior written notice of the replacement of any other entity that is a party to a Related Document.

(m) *Limitation on Voluntary Liens.* The Corporation and the County shall not create a pledge, lien or charge on any part of the Property or the Pledged Property, other than the lien in favor of holders of the Notes and the Bank; *provided, further*, that in no

event shall any pledge, lien or charge on the Property or Pledged Property securing any swap termination or payments provided for pursuant to any Swap Contract be first in priority to the pledge, lien or charge on any part of the Property or the Pledged Property or any other obligation owed the Bank hereunder. The County and the Corporation covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other liens of whatever nature or character, which, in each case, might hamper the County in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.

(n) *County and the Corporation to Maintain Existence.* The Corporation agrees that it will maintain its existence as a California nonprofit public benefit corporation. The County agrees that it will maintain its existence as a political subdivision under its charter and the laws of the State.

(o) *Further Assurances.* The County and the Corporation will execute, acknowledge where appropriate, and deliver from time to time promptly at the request of the Bank all such instruments and documents as in the opinion of the Bank are reasonably necessary or desirable to carry out the intent and purposes of this Agreement.

(p) *No Impairment.* The County and the Corporation will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Related Document inconsistent with the rights and remedies of the Bank under this Agreement.

(q) *Lease Payments.* The County and the Corporation will not issue or authorize the issuance of any obligation payable from the Rental Payments (as defined in the Sublease) due under the Sublease other than the Notes and the Revolving Note.

(r) *References to the Bank.* The County and the Corporation will not refer to the Bank in any official statement, offering memorandum, or private placement memorandum or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

(s) *Title Insurance.* Title insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(t) *Maintenance of Insurance.* Insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(u) *Covenants and Legal Duties.* Subject to Section 3.1(g) of the Sublease, the County agrees to include all Minimum Required Rental Payments and Additional

Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, and for all Minimum Supplemental Rental Payments, if any, subject to Section 3.5 of the Sublease. The covenants on the part of the County herein contained and in the Sublease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance, of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.

(v) *Use of Proceeds.* The proceeds of drawings made under the Letter of Credit will be expended solely to pay the principal of and interest on maturing Notes.

(w) *Ratings.* (i) The County shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by the County at Moody's or S&P in respect of its unenhanced General Obligation Debt. (ii) The County shall cause to be maintained at least one rating on its unenhanced General Obligation Debt by Moody's or S&P.

(x) *Voluntary Rent Abatement.* Except as required by law and the terms of the Sublease, the County shall not seek or assert a claim for abatement of rental payments under the Sublease.

(y) *Additional Rights.* In the event that the County shall enter into or otherwise consent to any credit agreement, reimbursement agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) pursuant to which a financial institution or financial institutions (each, a "*Lender*") undertakes to make loans or advances or extend credit or liquidity to the County and/or the Corporation as support for any commercial paper notes of the Corporation or the County (each, a "*Bank Agreement*"), which Bank Agreement (i) contains covenants that are more restrictive on the part of the County or the Corporation than those contained in this Agreement, (ii) contains events of default and/or remedies that are more favorable to the Lender than those contained in this Agreement and/or (iii) provides that the Corporation or the County or any of the other parties thereto consent to the adjudication of any action, suit or proceeding arising under or relating to such Bank Agreement pursuant to judicial reference as provided in California Code of Civil Procedure Section 638 (collectively, the "*Additional Rights*"), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights. Upon entering into or consenting to any Bank Agreement, the County and the Corporation shall promptly enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Bank shall maintain the benefit of such Additional Rights even if the County and/or the Corporation fails to provide such amendment. If the County shall amend the Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Bank, this Agreement shall

automatically no longer contain the Additional Rights and the Bank shall no longer have the benefits of any of the Additional Rights.

(z) *Immunity.* To the fullest extent permitted by law, each of the Corporation and the County agrees not to assert the defense of immunity (on the grounds of sovereignty or otherwise) in any proceeding by the Bank to enforce any of the obligations of the Corporation or the County under this Agreement or any other Related Document.

(aa) *ERISA.* The Corporation will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

(bb) *Alternate Letter of Credit.* The Corporation agrees to use its best efforts to obtain an Alternate Credit Facility for the Letter of Credit in the event that (i) the Bank decides not to extend the Letter of Credit Expiration Date (such replacement to occur on the then current Letter of Credit Expiration Date) or (ii) the Letter of Credit shall otherwise terminate in accordance with its terms.

(cc) *Swap Agreements.* The Corporation will use its best efforts to enter into all future Swap Contracts with counterparties rated “AA-” (or its equivalent) or better by at least one rating agency. In no event shall any swap counterparty with respect to any such Swap Contract be rated lower than “A” (or its equivalent) by at least one rating agency, without the prior written consent of the Bank, at the time of entering into such Swap Contract.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.1. Events of Default. The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) The Corporation or the County shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder, subject to the proviso in Section 2.6(c) hereof, or (ii) any other Obligation as and when due hereunder and the continuance of such failure for a period of 30 days after written notice thereof;

(b) The Corporation or the County shall default in the performance of any of the covenants set forth in Section 5.1(b), (d), (h) (m), (n), (q), (s), (t), (u), (v), (w) (ii) or (cc) hereof;

(c) The Corporation or the County shall default in the performance of any other material term, covenant or agreement set forth herein and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the County, as applicable, by the Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the County (or incorporated by reference) in this Agreement or by the Corporation or the County in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The County shall (A) fail to make any payment on any Material County Debt (other than the Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material County Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material County Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material County Debt; or (C) any Material County Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material County Debt;

(f) The Corporation or the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the County under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the County, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process

shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of this Agreement or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the County, or the Corporation or the County shall contest the validity or enforceability thereof;

(i) Any pledge or security interest created hereunder or under the Trust Agreement to secure any amounts due under this Agreement shall fail to be valid or fully enforceable;

(j) An event of default shall occur under any of the Related Documents (other than this Agreement) or the County shall fail to make any payment under the Sublease when and as due;

(k) The long-term unenhanced rating by Moody's or S&P on any General Obligation Debt of the County shall be withdrawn, suspended or otherwise unavailable for credit related reasons or reduced below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively;

(l) One or more final, nonappealable judgments or orders for the payment of money in the aggregate amount of \$50,000,000 or more shall be rendered against the County and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; or

(m) Any "Event of Default" as defined in any of the Other Reimbursement Agreements shall have occurred.

Section 6.2. Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) issue a No-Issuance Notice, (ii) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent), (iii) declare the Revolving Note, in whole or in part, all or some Principal Advances and Term Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance hereunder due and payable in the manner set forth in and subject to Section 2.6 hereof, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 6.1(f) or (g), the remedies described in clause (iii) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described in clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article 2 hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Reimbursement Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each drawing under

the Letter of Credit following the occurrence of an Event of Default. Notwithstanding the foregoing, the occurrence of an Event of Default shall not affect the Bank's obligations under the Letter of Credit with respect to Notes that are outstanding at the time of the occurrence of such Event of Default, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes that are outstanding at the time of the occurrence of such Event of Default.

Nothing contained in Section 6.2 shall result in, or be construed to require, an acceleration of Base Rental under the Sublease and nothing contained in this Section 6.2 is intended to abrogate abatement of Base Rental made in accordance with the terms of the Sublease. Nothing contained in Section 6.2 shall abrogate the obligation of the Bank to honor properly presented and conforming Drawings under the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Amendments and Waivers. No amendment, change, discharge or waiver of any provision of this Agreement, nor consent to any departure by the Corporation or the County therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County, as the case may be, to any other or further notice or demand in the same, similar or other circumstances.

Section 7.2. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

If to the Corporation: Los Angeles County Capital Asset Leasing Corporation
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the County: County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the Bank: Bank of America, N.A.
[Insert]
Attention: _____
Facsimile: _____
Telephone: _____

with a copy to: Bank of America, N.A.

Attention: _____
Facsimile: _____
Telephone: _____

if to the Issuing
and Paying Agent: **[INSERT]**
Attention:
Telephone:
Facsimile:

if to the Trustee: **[INSERT]**
Attention: _____
Telephone: _____
Facsimile: _____

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Bank pursuant to the provisions of Article II shall not be effective until received by the Bank.

Section 7.3. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.4. Indemnification. (a) To the extent permitted by law, the Corporation and the County hereby indemnify and hold the Bank and its directors, officers, employees and agents (the “*Indemnified Parties*”) harmless from and against any and all claims, damages, losses, liabilities, costs or expenses which such Indemnified Parties may incur or which may be claimed against such Indemnified Parties by any person by reason of or in connection with (i) the offering, sale, remarketing or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by

reference in the Related Documents or in any supplement or amendment to the Offering Memorandum or any similar disclosure document (other than in connection with a description of the Bank), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading (other than in connection with a description of the Bank; (ii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iii) the issuance of the Letter of Credit or the use of any proceeds of the Letter of Credit; (iv) the execution, delivery and performance of this Agreement, or the making or the failure to honor a properly presented and conforming drawing under the Letter of Credit; or (v) any Property; *provided, however*, neither the Corporation nor the County, shall be required to indemnify an Indemnified Party pursuant to this Section 7.4(a) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank.

(b) To the extent not prohibited by applicable law, the Corporation and the County agree to indemnify and hold the Bank harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Notes and the other Related Documents, or any amendment thereto.

Section 7.5. Liability of the Bank. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for (i) the use which may be made of the proceeds of any Notes or any drawings under the Letter of Credit, (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon (other than the validity as against the Bank of any agreement to which the Bank is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iii) the lack of validity or enforceability of this Agreement, the Notes, any other Related Document or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), (iv) payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any drawings under the Letter of Credit, (vi) errors in interpretation of technical terms, (vii) any consequences arising from causes beyond the control of the Bank, including, without limitation, any acts of governmental entities, or (viii) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; *provided*, that the Corporation and the County shall have claims against the Bank, and the Bank shall be liable to the Corporation and the County to the extent of any direct, as opposed to consequential, damages suffered by the Corporation or the County which the Corporation and the County prove were caused by the Bank's willful misconduct or gross negligence. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

Section 7.6. Expenses; Documentary Taxes. The Corporation shall pay or cause to be paid (a) fees and document production costs and disbursements of Chapman and Cutler LLP, special counsel for the Bank, in connection with the preparation of this Agreement and the Letter of Credit, (b) all reasonable out-of-pocket travel and other expenses incurred by the Bank in connection with this Agreement and the Letter of Credit, (c) all reasonable out-of-pocket expenses of the Bank, including fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel, in connection with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement or any Related Document. The Corporation shall reimburse the Bank for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution a delivery of this Agreement or any Related Document or the acquisition or disposition by the Bank of the Revolving Note pursuant to this Agreement.

Section 7.7. Binding Effect. (a) This Agreement shall become effective when it shall have been executed by the Corporation, the County and the Bank and thereafter shall be binding upon and inure to the benefit of the Corporation, the County and the Bank and their respective successors and assigns, except that the Corporation and the County shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank.

(b) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of the Letter of Credit and the obligations of the Corporation and the County hereunder and under the other Related Documents to any Participant Bank without the consent of the Corporation or the County, *provided* that no such action by the Bank shall relieve the Bank of its obligations under the Letter of Credit. The Bank may disclose to any Participant Bank or prospective Participant Bank any information or other data or material in the Bank's possession relating to this Agreement, any other Related Document, the Corporation, the County and the Property, without the consent of the Corporation or the County, *provided* that if required by the Corporation or the County, the Participant Bank or prospective Participant Bank shall certify to the Corporation and/or the County, as the case may be, that the information provided by the Bank is being used solely to assist the Participant Bank or prospective Participant Bank in evaluating its position as a Participant Bank in the Letter of Credit. No Participant Bank shall be entitled to receive any greater payment under Section 2.8 hereof than the Bank would have been entitled to receive with respect to the rights and obligations hereunder transferred. Notwithstanding any participation granted by the Bank pursuant hereto, the Corporation and the County shall continue to deal solely and exclusively with the Bank in connection with the respective rights and obligations of the Corporation, the County and the Bank hereunder and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Bank hereunder and the Bank will continue to serve as the only contact for the Corporation and the County for all matters relating to this Agreement.

Section 7.8. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the

remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.9. Approvals. The Bank hereby approves with respect to the Notes, Deutsche Bank National Trust Company as Issuing and Paying Agent, and _____, as Dealers.

Section 7.10. Governing Law and Jurisdiction. (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 7.2 hereof.

(c) To the extent permitted by law, each of the Corporation, the County and the Bank irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Corporation's, the County's or the Bank's performance of its obligations under this Agreement or any other Related Document.

(d) The waivers made pursuant to this Section 7.10 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Section 7.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 7.12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.13. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

By: _____
Title: Authorized Officer

Date: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Title: Authorized Officer

Date: _____

(SEAL)

ATTEST:

By: _____
Assistant Secretary
Los Angeles County Capital Asset
Leasing Corporation

BANK OF AMERICA, N.A., as the Bank

By: _____
Name: _____
Title: _____

EXHIBIT A
[FORM OF LETTER OF CREDIT]
IRREVOCABLE LETTER OF CREDIT NO. _____

April __, 2010
U.S. \$75,000,000
No. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]

Attention: _____

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Los Angeles County Capital Asset Leasing Corporation (the "*Corporation*"), and County of Los Angeles (the "*County*"), in your favor, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") with respect to the Corporation's Commercial Paper Notes issued pursuant to the Amended and Restated Trust Agreement dated April 26, 2010 (the "*Trust Agreement*"), by and among the Corporation, the County and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), as it is from time to time amended, supplemented, waived and modified in accordance therein, pursuant to which up to \$400,000,000 in aggregate principal amount of the Corporation's Lease Revenue Commercial Paper Notes in the form of Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*") or Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*" and together with the Tax-Exempt Notes, collectively referred to herein as the "*Notes*"), are being issued, our Irrevocable Letter of Credit No. _____ in the initial maximum available amount of SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) as reduced, reinstated, increased and decreased from time to time (the "*Stated Amount*"), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Notes, effective on the date hereof and expiring at 1:00 p.m., Los Angeles time at our office in Chicago, Illinois set forth below on _____, 2013, except as extended pursuant to a notice from us to you in the form attached hereto as Annex E (the "*Letter of Credit Expiration Date*") or terminated earlier as hereafter provided; *provided, however*, that if such date is not a Business Day, the Letter of Credit Expiration Date shall be the next preceding Business Day. The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Corporation. This Letter of Credit is being issued pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County and the Bank. Capitalized

terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, (a) in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California, Illinois or New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit (a "*Business Day*"), by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Notes issued in accordance with the Indenture), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of and interest to maturity on Notes issued in accordance with the Indenture and that otherwise matures on or after the date that you receive notice from us in the form of Annex H hereto (the "*Final Drawing Notice*")), attached hereto (any such certificate being a "*Drawing*"), in each case an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only when and to the extent (i) of transfer by you to us on the date such Drawing is honored of proceeds of new Notes issued on such date or other funds furnished by or on behalf of the Corporation to us for such purpose, in either case in an aggregate amount equal to the amount of such Drawing, or upon written notice from us to you that we have been reimbursed by or on behalf of the Corporation for any amount drawn hereunder by any Drawing and (ii) you have not received from us a No-Issuance Notice in the form attached hereto as Annex G.

The Stated Amount of this Letter of Credit shall also be reduced from time to time on each Decrease Date specified in, and in the amounts set forth in, a notice from us to you in the form attached hereto as Annex F (each, a "*Decrease Notice*"). As of the applicable Decrease Date and upon such reduction, the Stated Amount shall not be less than your certification in the applicable Decrease Notice of the sum of the face value of all discount Notes and the principal amount of all outstanding non-discount Notes plus an amount (the "*Interest Coverage Amount*") equal to the sum of the products of the principal amount of each non-discount Note supported by this Letter of Credit times the interest rate per annum borne by such non-discount Note, divided by 365, times the number of days from the date of issuance of such non-discount Note to and including the maturity date of such non-discount Note.

Each Drawing shall be dated the date of its presentation, and shall be presented by facsimile (at facsimile number _____ or alternatively _____, Attention: Standby Letter of Credit Unit, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing shall be immediately confirmed by telephone (telephone number: _____ or alternatively to _____, Option 1)), notifying us of such Drawing; *provided*, that, the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than **[10:00 A.M.]**, Chicago time on a Business Day prior to the termination hereof, we will honor the same by **[2:00 P.M.]**, Chicago time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of the Letter of Credit, after **[10:00 A.M.]**, Chicago time on a Business Day prior to the termination hereof, we will honor the same by **[2:00 P.M.]**, Chicago time on the next succeeding Business Day in accordance with your payment instructions.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the related Drawing. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent.

This Letter of Credit shall expire at **[4:00 p.m., Chicago time]**, on the date (the earliest of such date to occur referred to herein as the "*Termination Date*") which is the earliest of (i) Letter of Credit Expiration Date, (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that an Alternate Credit Facility has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility, (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (a) the 15th calendar day after the date on which you receive the Final Drawing Notice, and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee together with the original Letter of Credit.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the Drawings referred to herein; and any such

reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will notify the Issuing and Paying Agent thereof within the time set forth above for honor of such demand for payment, such notice to be confirmed in writing to the Issuing and Paying Agent within one Business Day, and we shall return all documents to you.

Communications with respect to this Letter of Credit shall be addressed to us at _____, Attention: _____, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by us. For telephone assistance, please contact the _____ at _____, and have the Letter of Credit number available.

Communications with respect to this Letter of Credit shall be addressed to you at [_____] , Attention: [_____] , specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

Very truly yours,

BANK OF AMERICA, N.A.

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES**

ANNEX A-1

**TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____**

**[FORM OF CERTIFICATE FOR DRAWING]
CERTIFICATE FOR DRAWING IN CONNECTION
WITH THE PAYMENT OF PRINCIPAL AND INTEREST
IRREVOCABLE LETTER OF CREDIT NO. _____**

Bank of America, N.A.

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.
2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Notes, which payment is due on _____.
3. The amount of the Drawing is equal to \$_____, with \$_____ being drawn in respect of the payment of principal of maturing Notes and \$_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on maturing Notes does not exceed the Stated Amount of the Letter of Credit. The amount payable by the Bank with respect to this Drawing is \$_____.
4. Each such Note was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.
5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement and shall apply the same directly to the payment when due of the principal amount of the Notes and the interest amount owing on account of the Notes

pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

6. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES**

ANNEX A-2

**TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____**

**CERTIFICATE FOR DRAWING IN CONNECTION WITH THE
PAYMENT OF PRINCIPAL AND INTEREST AFTER FINAL DRAWING NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____**

Bank of America, N.A.

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Indenture and is acting as the agent for the holders of the Notes.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Notes issued in accordance with the Indenture but which matures on or after the date of a Final Drawing Notice.
4. The amount of the Drawing is equal to \$_____, with \$_____ being drawn in respect of the payment of principal of maturing Notes and \$_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Indenture. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, the Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.
5. The Notes were authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Indenture.
6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the

Issuing and Paying Agent pursuant to the Indenture and the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Notes and the interest amount owing on account of the Notes pursuant to the Indenture, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes has been presented for payment and paid by us, we will cancel such matured Notes.

7. This Certificate is being presented to the Bank on a date which is no later than the 15th calendar day after receipt by the Issuing and Paying Agent of the Final Drawing Notice.

8. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX B

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

REQUEST FOR TRANSFER

Date: _____

Bank of America, N.A.

Re: Bank of America, N.A. Irrevocable
Letter of Credit No. _____
dated _____, 2010

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee)
"Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof.

The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Payment of transfer fee of U.S. \$___ is for the account of the Corporation and the County, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX C

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: ALTERNATE CREDIT FACILITY]
CERTIFICATE RE: ALTERNATE CREDIT FACILITY
IRREVOCABLE LETTER OF CREDIT NO. _____

Bank of America, N.A.

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. The conditions precedent to the acceptance of an Alternate Credit Facility set forth in the Trust Agreement have been satisfied.
3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX D

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____
[FORM OF CERTIFICATE RE: NO OUTSTANDING NOTES]
CERTIFICATE RE: NO OUTSTANDING NOTES
IRREVOCABLE LETTER OF CREDIT NO. _____

Bank of America, N.A.

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. No Notes (other than Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does the Corporation intend to issue any additional Notes under the Trust Agreement.
3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.
4. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX E

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]
NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent

[Insert Address]

Attention: _____

The undersigned, duly authorized signatory of Bank of America, N.A. (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement"), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, the Letter of Credit Expiration Date of the Letter of Credit has been extended to _____.
2. This letter should be attached to the Letter of Credit and made a part thereof.
3. The Corporation and the County's acknowledgment hereof shall be deemed to be the certification by the Corporation and the County that all of its representations and warranties contained in Article IV of the Reimbursement Agreement are true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

BANK OF AMERICA, N.A., as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX F

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: REDUCTION IN STATED AMOUNT]
CERTIFICATE RE: REDUCTION IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of Bank of America, N.A. (the "*Bank*"), hereby certify to Deutsche Bank National Trust Company (the "*Issuing and Paying Agent*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, that pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, that the Stated Amount of the Letter of Credit shall be decreased in the amount of \$_____, effective as of _____ (the "*Decrease Date*"). The new Stated Amount of the Letter of Credit is \$_____. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

BANK OF AMERICA, N.A., as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by
Deutsche Bank National Trust Company, as
Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX G

TO
BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NO-ISSUANCE NOTICE]
NO-ISSUANCE NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatories of Bank of America, N.A. (the “Bank”), hereby certify to Deutsche Bank National Trust Company (the “Issuing and Paying Agent”), with reference to Irrevocable Letter of Credit No. _____ (the “Letter of Credit,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the “Reimbursement Agreement”), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, *[insert one of the following phrases]* [the conditions precedent to the occurrence of a Credit Event (as defined in the Reimbursement Agreement) set forth in Section 3.2 of the Reimbursement Agreement have not been satisfied] [an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing].
2. Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 9:00 A.M., Chicago time, on a Business Day you shall cease authenticating Notes on the next Business Day.
3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

BANK OF AMERICA, N.A., as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX H

TO

BANK OF AMERICA, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

CERTIFICATE RE: FINAL DRAWING
IRREVOCABLE LETTER OF CREDIT NO. _____

Attention: _____

Reference is made to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Issuing and Paying Agent.

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Notice, to cease issuing Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Notes issued in accordance with the Indenture which is outstanding and is maturing or is hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

BANK OF AMERICA, N.A., as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, _____ by
_____, as Issuing and Paying Agent

By _____

Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

EXHIBIT B

**[FORM OF REVOLVING NOTE]
REVOLVING NOTE**

\$75,000,000

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the "*Corporation*"), for value received, hereby promises to pay to BANK OF AMERICA, N.A. (the "*Bank*"), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank in New York, New York, the sum of \$75,000,000 or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the "*Grid*") on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. The Corporation hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.5 and 2.6 of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Note, and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Corporation recorded therein.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County of Los Angeles California and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its due date accelerated.

The Corporation hereby agrees to pay or cause to be paid all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of the Corporation duly adopted.

The Corporation hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of _____, 2010.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title: Authorized Officer

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

REVOLVING NOTE GRID

**DRAWINGS, ADVANCES AND TERM LOANS
AND PAYMENTS OF PRINCIPAL AND INTEREST**

| Date | Drawing, Advance or Term Loan | Amount of Drawing, Advance or Term Loan | Principal Amount of Advances or Term Loans Repaid | Amount of Interest on Advances or Term Loans Repaid | Aggregate Advance Balance | Notation Made By |
|------|-------------------------------------|--|---|---|---------------------------------|---------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]

REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation (“*Corporation*”) and the County of Los Angeles (the “*County*”), hereby certify to Bank of America, N.A. (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(a) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby request an extension of the Letter of Credit Expiration Date to _____.

2. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Section 4.1(g) and 4.2(g) thereof) are true and correct and will be true and correct as of the date of this Certificate as if made on and as of the date hereof and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the date hereof or will occur as a result of the extension of the Letter of Credit Expiration Date of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT D

[FORM OF REQUEST FOR DECREASE IN STATED AMOUNT]

REQUEST FOR DECREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation ("*Corporation*") and the County of Los Angeles (the "*County*"), hereby certify to Bank of America, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby elect to reduce the Stated Amount of the Letter of Credit in the amount of \$ _____, effective as of _____ (the "*Decrease Date*").

2. The Decrease Date for which such decrease is requested is _____, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$ _____. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

EXHIBIT A-2

**PROPOSED FORM OF JPMORGAN LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT**

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of April 1, 2010

among

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
COUNTY OF LOS ANGELES, CALIFORNIA

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

relating to

\$175,000,000 aggregate principal amount of
Los Angeles County Capital Asset Leasing Corporation
Lease Revenue Commercial Paper Notes

TABLE OF CONTENTS

| SECTION | HEADING | PAGE |
|---------------|---|------|
| ARTICLE I | DEFINITIONS | 1 |
| Section 1.1. | Certain Defined Terms..... | 1 |
| Section 1.2. | Computation of Time Periods..... | 9 |
| Section 1.3. | Accounting Terms..... | 9 |
| Section 1.4. | Terms Defined in Trust Agreement | 9 |
| Section 1.5. | Construction..... | 10 |
| ARTICLE II | AMOUNT AND TERMS OF THE LETTER OF CREDIT | 10 |
| Section 2.1. | The Letter of Credit | 10 |
| Section 2.2. | Issuance of the Letter of Credit..... | 10 |
| Section 2.3. | Letter of Credit Fees | 10 |
| Section 2.4. | Payment of Amounts Drawn on Letter of Credit..... | 11 |
| Section 2.5. | Principal Advances | 11 |
| Section 2.6. | Conversion of Principal Advances to Term Loans; Term Loans; Default Advances | 11 |
| Section 2.7. | Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts..... | 12 |
| Section 2.8. | Increased Costs; Capital Adequacy | 13 |
| Section 2.9. | Net of Taxes, Etc..... | 15 |
| Section 2.10. | Payments and Computations..... | 16 |
| Section 2.11. | Extension of Letter of Credit Expiration Date; Reduction in Stated Amount. | 17 |
| Section 2.12. | Evidence of Debt; Revolving Note | 18 |
| Section 2.13. | Obligations Absolute | 18 |
| Section 2.14. | Termination; Acceptance of Alternate Credit Facility..... | 19 |
| Section 2.15. | Pledge by the Corporation | 19 |
| Section 2.15. | Maximum Interest Rate; Payment of Fee | 20 |
| Section 2.16. | Adjustment of Base Rental | 20 |
| ARTICLE III | CONDITIONS OF ISSUANCE | 21 |
| Section 3.1. | Conditions Precedent to Issuance of the Letter of Credit | 21 |
| Section 3.2. | Conditions Precedent to Each Credit Event..... | 23 |
| Section 3.3. | No-Issuance Notice; Final Drawing Notice..... | 23 |
| ARTICLE IV | REPRESENTATIONS AND WARRANTIES..... | 24 |
| Section 4.1. | County Representations and Warranties | 24 |
| Section 4.2. | Corporation Representations and Warranties | 27 |
| ARTICLE V | COVENANTS..... | 30 |
| Section 5.1. | Covenants..... | 30 |

| | | |
|---------------|---|----|
| ARTICLE VI | EVENTS OF DEFAULT | 35 |
| Section 6.1. | Events of Default | 35 |
| Section 6.2. | Upon an Event of Default | 37 |
| ARTICLE VII | MISCELLANEOUS | 38 |
| Section 7.1. | Amendments and Waivers | 38 |
| Section 7.2. | Notices | 38 |
| Section 7.3. | No Waiver; Remedies | 39 |
| Section 7.4. | Indemnification | 40 |
| Section 7.5. | Liability of the Bank | 40 |
| Section 7.6. | Expenses; Documentary Taxes | 41 |
| Section 7.7. | Binding Effect | 41 |
| Section 7.8. | Severability | 42 |
| Section 7.9. | Approvals | 42 |
| Section 7.10. | Governing Law and Jurisdiction | 42 |
| Section 7.11. | Headings | 42 |
| Section 7.12. | Counterparts | 42 |
| Section 7.13. | Integration | 42 |
| EXHIBIT A | – Form of Letter of Credit | |
| EXHIBIT B | – Form of Revolving Note | |
| EXHIBIT C | – Form of Request for Extension | |
| EXHIBIT D | – Form of Request for Decrease in Stated Amount | |

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of April 1, 2010, among the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the “*Corporation*”), the COUNTY OF LOS ANGELES, CALIFORNIA (the “*County*”) and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (together with its successors and assigns, the “*Bank*”).

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated April 26, 2010, by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “*Trustee*”) as it is from time to time amended, supplemented, waived and modified in accordance therewith and with Section 5.1(b) hereof (collectively, the “*Trust Agreement*”), may from time to time issue up to \$175,000,000 in aggregate principal amount outstanding at any time of its Lease Revenue Commercial Paper Notes (the “*Notes*” and each, a “*Note*”);

WHEREAS, the Trust Agreement provides, as a condition precedent to the issuance of the Notes, for delivery to the Issuing and Paying Agent (as defined in the Trust Agreement) of a letter of credit with respect to the Notes; and

WHEREAS, the Bank has agreed to issue its letter of credit pursuant to this Agreement;

NOW THEREFORE, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. The following terms, as used herein, have the following meanings:

“*Advance*” means any Principal Advance or Default Advance.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” has the meaning set forth in the Trust Agreement.

“*Amortization Period*” has the meaning set forth in Section 2.6(b).

“*Applicable Letter of Credit Fee*” means, as of any date, the percentage per annum set forth below opposite the rating level (or, in the event of split ratings, the lowest rating level) applicable on such date to the County’s unenhanced General Obligation Debt:

| | RATINGS OF COUNTY'S UNENHANCED GENERAL OBLIGATION DEBT (S&P/MOODY'S) | APPLICABLE LETTER OF CREDIT FEE |
|---------|--|------------------------------------|
| Level 1 | A+/A1 or higher | 1.25% |
| Level 2 | A/A2 | 1.40% |
| Level 3 | A-/A3 | 1.55% |
| Level 4 | BBB+/Baa1 | 1.70% |
| Level 5 | BBB/Baa1 | 1.85% |
| Level 6 | BBB-/Baa3 | 2.00% |

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by S&P or Moody’s to any unenhanced General Obligation Debt of the County (without giving effect to any bond insurance policy or other credit enhancement securing such General Obligation Debt). In the event of a split Rating (i.e. one of the foregoing Rating Agency’s Rating is at a different level than the Rating of either of the other Rating Agencies), the Applicable Letter of Credit Fee shall be based upon the level in which the lowest rating appears. Any change in the Applicable Letter of Credit Fee resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Corporation and County acknowledge, and the Bank agrees, that as of the Closing Date the Applicable Letter of Credit Fee is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default, the Applicable Letter of Credit Fee shall be increased by an additional one and one-half of one percent (1.50%) from the rate then in effect upon the occurrence of such Event of Default. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Applicable Letter of Credit Fees from the date payment is due until payment in full at the Default Rate.

“*BANA Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Bank of America, N.A.

“*Bank*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Base Rate*” means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus two percent (2.0%), (b) the Prime Rate plus one and one-half of one percent (1.50%) and (c) seven and one-half of one percent (7.50%).

“*Base Rental*” has the meaning set forth in the Trust Agreement.

“*Base Rental Period*” has the meaning set forth in the Sublease.

“*Business Day*” means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the Corporation and state in which demands for payment may be presented under the Letter of Credit.

“*CAFR*” has the meaning set forth in Section 5.1(a)(i).

“*Component*” has the meaning set forth in the Sublease.

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation, or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Corporation*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Corporation Representative*” has the meaning set forth in the Trust Agreement.

“*County*” means the County of Los Angeles, California, and its successors and assigns.

“*County Representative*” has the meaning set forth in the Trust Agreement.

“*Credit Event*” means any one of the following: the issuance of the Letter of Credit; the making of any Principal Advance; or the conversion of a Principal Advance to a Term Loan.

“*Date of Issuance*” means the date on which the conditions precedent set forth in Section 3.1 of this Agreement are met or waived by the Bank and the Letter of Credit is issued.

“*Dealer*” means, with respect to the Notes, each and every Dealer appointed by the Corporation pursuant to a Dealer Agreement, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Notes appointed by the Corporation.

“*Dealer Agreement*” means, collectively, each Commercial Paper Dealer Agreement, by and among the Corporation, the County and one of _____, _____, and _____, respectively, as a Dealer, providing for the acceptance by such Dealer of the duties and obligations imposed thereby and imposing certain other duties and obligations, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; (i) all Contingent Obligations of such Person; and (j) obligation of such Person due and payable under Swap Contracts; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business; and *provided, further*, however that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the General Fund of the County.

“*Decrease Date*” means each Decrease Date set forth in a Notice of Decrease in Stated Amount.

“*Default*” means an event that with the giving of notice or passage of time, or both, shall constitute an Event of Default.

“*Default Advance*” or “*Default Advances*” each has the meaning assigned that term in Section 2.6(c).

“*Default Rate*” means, on any particular date, a rate of interest per annum equal to three percent (3.0%) per annum in excess of the Base Rate in effect on such date.

“*Drawing*” has the meaning assigned to that term in the Letter of Credit.

“*Effective Date*” means April __, 2010.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“ERISA” - means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“Event of Default” has the meaning assigned that term in Section 6.1.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Final Drawing Notice” has the meaning set forth in the Letter of Credit.

“Fiscal Year” means the twelve-month period commencing on July 1 of each year; *provided, however,* that the County may, from time to time, agree on a different twelve-month period as the Fiscal Year.

“General Obligation Debt” means any Debt of the County, the payment of which is secured by the full faith and credit of the County.

“Initial Letter of Credit Expiration Date” means _____, 2013.

“Issuing and Paying Agent Agreement” means the Amended and Restated Issuing and Paying Agent Agreement, dated April 26, 2010, between the Corporation and Deutsche Bank National Trust Company, as Issuing and Paying Agent for the Notes, providing for the acceptance by such Issuing and Paying Agent of the duties and obligations imposed thereby and imposing certain other duties and obligations, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

“Issuing and Paying Agent” means the Issuing and Paying Agent appointed with respect to the Notes pursuant to Article V of the Trust Agreement, and having the duties, responsibilities and rights provided for therein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“Letter of Credit” means an irrevocable direct-pay letter of credit issued by the Bank, in substantially the form of Exhibit A hereto.

“Letter of Credit Expiration Date” has the meaning assigned to that term in the Letter of Credit.

“Material County Debt” means any Debt of the County that is outstanding in a principal amount of \$50,000,000 or more.

“Maximum Base Rental” has the meaning set forth in the Sublease.

“Maximum Rate” means twelve percent (12%) per annum.

“Minimum Required Rental Payment” has the meaning set forth in the Sublease.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“No-Issuance Notice” has the meaning assigned that term in Section 3.3.

“Note” and *“Notes”* each has the meaning assigned in the first recital of this Agreement.

“Notice of Decrease in Stated Amount” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex F to the Letter of Credit.

“Notice of Extension” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex E to the Letter of Credit.

“Offering Memorandum” means the offering memorandum with respect to the Notes.

“Original Stated Amount” means \$175,000,000.

“Other Reimbursement Agreements” means the BANA Reimbursement Agreement, the Union Bank Reimbursement Agreement and the Wells Reimbursement Agreement.

“Outstanding” when used in reference to Notes means, as of a particular date, all Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Note cancelled at or before such date, (ii) any Note deemed to have been paid in accordance with the Trust Agreement and (iii) any Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“Participant Bank” means any institution to which the Bank has granted a participation in or assigned, sold, or otherwise transferred the whole or any part of the Bank’s rights or obligations (or both) under this Agreement or any other Related Document.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” - means, with respect to the Corporation at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Pledged Property” has the meaning set forth in the Trust Agreement.

“Prime Rate” means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Principal Advance” and *“Principal Advances”* each has the meaning assigned to that term in Section 2.5.

“Principal Advance Rate” means, on any particular date, a rate of interest calculated with respect to a particular Principal Advance equal to the Base Rate in effect for such date; *provided, however,* that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, *“Principal Advance Rate”* shall mean the Default Rate; *provided, further,* that at no time shall the Principal Advance Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“Property” has the meaning set forth in the Trust Agreement.

“Quarterly Payment Date” means the first day of each January, April, July and October.

“Rating Agency” means Moody’s or S&P.

“Reimbursement Obligations” means any and all amounts including, but not limited to, fees, expenses, amounts drawn under the Letter of Credit, Principal Advances, Term Loans and Default Advances, which may from time to time be owing by the Corporation to the Bank under this Agreement.

“Related Documents” means the Trust Agreement, the Letter of Credit, this Agreement, the Notes, the Revolving Note, the Issuing and Paying Agent Agreement, the Site Lease, the Sublease and the Dealer Agreements.

“Rental Payments” has the meaning set forth in the Sublease.

“Request for Decrease in the Stated Amount” means a notice from the Corporation to the Bank substantially in the form of Exhibit D attached hereto.

“Request for Extension” means a notice from the Corporation to the Bank substantially in the form of Exhibit C attached hereto.

“Revolving Note” means the Corporation’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.12 hereof, to evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“Site Lease” means the Amended and Restated Site Lease dated April 26, 2010, by and between the County and the Corporation, as from time to time amended or supplemented in accordance therewith and with Section 5.1(b) hereof.

“State” means the State of California.

“Stated Amount” has the meaning assigned that term in the Letter of Credit.

“Sublease” means the Amended and Restated Sublease dated April 26, 2010, by and between the County and the Corporation, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“Sublease Term” has the meaning set forth in the Sublease.

“Swap Contract” - means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange

Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” has the meaning assigned that term in Section 2.9(a).

“*Termination Date*” has the meaning assigned to that term in the Letter of Credit.

“*Term Loan*” and “*Term Loans*” each has the meaning assigned that term in Section 2.6(a).

“*Term Loan Conversion Date*” has the meaning assigned that term in Section 2.6(a).

“*Term Loan Rate*” means, on any particular date, a rate of interest calculated with respect to a particular Term Loan equal to the Base Rate from time to time in effect plus one percent (1.0%) per annum; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Term Loan Rate*” shall mean the Default Rate; *provided, further*, that at no time shall the Term Loan Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“*Trust Agreement*” has the meaning assigned in the first recital of this Agreement.

“*Trustee*” means Deutsche Bank National Trust Company, and its successor or successors, and any other person that may at any time be substituted in its place pursuant to the Trust Agreement.

“*Union Bank Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Union Bank, N.A.

“*Wells Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Wells Fargo Bank, National Association.

Section 1.2. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” Unless specified otherwise, all references to time shall mean Los Angeles time.

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted United States accounting principles consistently applied.

Section 1.4. Terms Defined in Trust Agreement. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Trust Agreement.

Section 1.5. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.1. The Letter of Credit. The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Issuing and Paying Agent in the Original Stated Amount and expiring by its terms not later than the Letter of Credit Expiration Date.

Section 2.2. Issuance of the Letter of Credit. The Bank will issue the Letter of Credit to the Issuing and Paying Agent on the Date of Issuance upon fulfillment of the applicable conditions precedent set forth in Section 3.1.

Section 2.3. Letter of Credit Fees. The Corporation shall pay or cause to be paid to the Bank:

(a) an annual letter of credit fee equal to Applicable Letter of Credit Fee applied to the Stated Amount in effect from time to time for the period from the Effective Date to and including the Letter of Credit Expiration Date;

(b) on the date of each drawing under the Letter of Credit, a draw fee of \$250; *provided, however,* that the Corporation shall not be required to pay more than \$1,500 in draw fees during any twelve-month period following the Date of Issuance or any anniversary thereof; and

(c) upon any amendment, modification, transfer or extension of the Letter of Credit, the Bank’s reasonable and customary administrative fees;

The fees set forth in Section 2.3(a) above shall be computed using a 360-day year for the actual number of days elapsed, and shall be payable quarterly in arrears, commencing on **[July 15]**, 2010, and thereafter on each Quarterly Payment Date and on the Termination Date.

Section 2.4. Payment of Amounts Drawn on Letter of Credit. (a) The Corporation shall pay or cause to be paid to the Bank an amount equal to that amount drawn on the Bank under the Letter of Credit pursuant to any Drawing with respect to the payment of accrued interest on maturing Notes or, subject to the provisions of Section 2.5 hereof, any Drawing with respect to the payment of principal of maturing Notes, on the same Business Day such drawing is honored.

(b) Any amount drawn under the Letter of Credit pursuant to a Drawing that is not repaid to the Bank when due as provided in clause (a) of Section 2.4, shall bear interest at the Default Rate until paid in full, payable on demand. Principal Advances, Term Loans and Default Advances shall be repaid to the Bank as provided in Sections 2.5 and 2.6 hereof.

(c) Any amount drawn under the Letter of Credit shall be noted by the Bank as principal due and owing on the grid attached to the Revolving Note pursuant to Section 2.12.

Section 2.5. Principal Advances. If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions precedent set forth in Section 3.2 shall have been fulfilled, and the Corporation (at its option) does not reimburse or cause to be reimbursed the Bank in connection therewith on the same Business Day, then such payment shall constitute a principal advance made by the Bank to the Corporation on the date and in the amount of such payment (each such advance being a “*Principal Advance*” and, collectively, the “*Principal Advances*”). The Corporation shall pay or cause to be paid interest on the unpaid amount of each Principal Advance from the date that such Principal Advance is made by the Bank until such amount is repaid in full.

Section 2.6. Conversion of Principal Advances to Term Loans; Term Loans; Default Advances. (a) Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, any amount of a Principal Advance (but not a Default Advance) remaining unpaid by the Corporation to the Bank under Section 2.5 on the earlier of (x) the ninetieth day after the date on which such Principal Advance was made and (y) the Termination Date (the “*Term Loan Conversion Date*”) shall be converted to a term loan (each, a “*Term Loan*” and, collectively, the “*Term Loans*”).

(b) The Corporation shall repay or cause to be repaid the principal amount of each Term Loan in installments as to principal, commencing on the first Quarterly Payment Date commencing after the Term Loan Conversion Date and on each Quarterly Payment Date thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the date which is the earlier of (i) the fifth anniversary of such Term Loan Conversion Date and (ii) the second anniversary of the Termination Date (the foregoing period with respect to each Term Loan herein referred to as an “*Amortization Period*”). The principal amount of each Term Loan shall be amortized over the related Amortization Period in equal quarterly installments of principal; *provided, however*, that the unpaid amount of each Term Loan shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for the corresponding Base Rental Period, and to the extent not so repaid, such Term Loan shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such

Term Loan shall continue to be an obligation of the County pursuant to the Sublease. The Corporation may prepay or cause to be prepaid the outstanding amount of any Term Loan in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to the conversion of a Principal Advance to a Term Loan. Each Term Loan shall bear interest at the Term Loan Rate, payable monthly in arrears on the first day of each calendar month during the term of such Term Loan and on the date on which the final installment of principal of the Term Loan is payable or, if such Term Loan bears interest at the Default Rate, upon demand.

(c) If (i) the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions set forth in Section 3.2 shall not have been fulfilled, and the Corporation fails to reimburse or cause to be reimbursed the Bank in connection therewith, (ii) the Bank shall have made a Principal Advance to the Corporation and the conditions set forth in Section 3.2 shall not have been fulfilled on the Term Loan Conversion Date or (iii) an Event of Default shall have occurred while any Principal Advance remains outstanding, such payment or Principal Advance shall constitute a default advance (and not a Principal Advance) made by the Bank to the Corporation from and after the date and in the amount of such payment under the Letter of Credit or such other date on which any event described in clauses (i), (ii) or (iii) above shall occur (each such default advance being a “*Default Advance*” and, collectively, the “*Default Advances*”). The Corporation hereby agrees to pay or cause to be paid to the Bank (i) interest at the Default Rate on any amount of the Default Advance remaining unpaid by the Corporation to the Bank from the date of such Default Advance until payment in full, payable in arrears, upon demand, and (ii) the unpaid amount of each Default Advance immediately upon demand by the Bank but if no demand is made, then on each Quarterly Payment Date in an amount equal to the then fair rental value with respect to the Components subject to the Sublease for such quarterly period; *provided, however*, that the unpaid amount of each Default Advance shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period, and to the extent not so repaid, such Default Advance shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Default Advance shall continue to be an obligation of the County pursuant to the Sublease.

Section 2.7. Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts. (a) The Corporation may prepay or cause to be prepaid the amount of any Principal Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid. Any prepayment in part under this Section 2.7(a) shall be applied by the Bank against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

(b) Any prepayment made under Section 2.7(a) shall be applied by the Bank as a reimbursement of the related drawing (and as a prepayment of the Principal Advance or Term Loan, as the case may be, resulting from such drawing) and, in the case of a prepayment of a

Principal Advance, the Corporation irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided, however,* that the Issuing and Paying Agent shall not deliver any Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to repayments of Term Loans or Default Advances, unless otherwise agreed to by the Bank.

(c) In the event that the Issuing and Paying Agent delivers any Notes while any Principal Advance or Term Loan or any portion of any Principal Advance or Term Loan remains unpaid, the Corporation shall apply the proceeds of any such Notes to the prepayment of such outstanding Principal Advance or Term Loan, as the case may be. Any prepayment in part under this Section 2.7(c) shall be applied against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

Section 2.8. Increased Costs; Capital Adequacy. (a) In the event of the adoption after the date hereof of any law, rule or regulation (domestic or foreign), or any change after the date hereof in any law, rule or regulation, or the interpretation or application thereof by any court, governmental authority, central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any governmental authority, central bank or comparable authority (whether or not having the force of law):

(i) subjects the Bank or any Participant Bank to any tax, deduction or withholding with respect to this Agreement, the Letter of Credit or the Revolving Note (other than any tax based upon the overall net income of the Bank or such Participant Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits (including letters of credit) or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank or any Participant Bank, or

(iii) imposes upon the Bank or any Participant Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank or such Participant Bank hereunder, the Letter of Credit or the Revolving Note,

and the result of any of the foregoing is to increase the cost to the Bank or such Participant Bank, reduce the income receivable by the Bank or such Participant Bank, impose any expense upon the Bank or such Participant Bank or reduce the amount of any payment receivable by the Bank or such Participant Bank, with respect to this Agreement, the Letter of Credit or the Revolving

Note, as reasonably determined and allocated by the Bank or such Participant Bank, by an amount which the Bank or such Participant Bank deems to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank or such Participant Bank of the nature described in the next sentence, and the Corporation or the County, on behalf of the Corporation, shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such increase in cost, reduction in income, additional expense or reduced amount. A certificate setting forth such increase in cost, reduction in income or additional expense or reduced amount (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(b) If the Bank or any Participant Bank shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy, or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any Participant Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of the Bank or such Participant Bank as a consequence of its rights or obligations hereunder, under the Letter of Credit or with respect to the Revolving Note to a level below that which the Bank or such Participant Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Corporation shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such reduction in rate of return on capital. A certificate setting forth such reduction in rate of return on capital (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(c) The Bank shall notify the Corporation and the County of any such impending or announced change in law, regulation or interpretation referred to in subsection (a) or (b) of this

Section 2.8 promptly upon receipt by it of actual notice of such change; *provided, however*, that any delay or failure to so notify the Corporation or the County shall not in any manner relieve the Corporation or the County of their obligations under this Section 2.8. Notwithstanding anything contained in paragraphs (a) and (b) of this Section 2.8, the Corporation and the County shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one hundred eighty (180) days prior to the date that the above described notice is given to the Corporation and the County with respect thereto (the “*Cut-Off Date*”), except where (A) the Bank had no actual knowledge of the action resulting in such increased costs, increased capital or reduction in return as of the Cut-Off Date or (B) such increased costs, increased capital or reduction in return apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) Notwithstanding anything to the contrary in this Section 2.8, in the event the Bank grants any participation to any Participant Bank pursuant to Section 7.7(b) hereof, neither the Corporation nor the County shall have any obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Bank had not granted such participation.

(e) The obligations of the County and Corporation under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9. Net of Taxes, Etc.

(a) *Taxes.* Any and all payments to the Bank by the Corporation hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If the Corporation shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.9), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Corporation shall make such deductions and (iii) the Corporation shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Corporation shall make any payment under this Section 2.9 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Corporation an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Corporation with respect to such Taxes. In addition, the Corporation agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the

State of New York from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the Corporation within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Corporation to the Bank hereunder *provided* that the Bank’s failure to send such notice shall not relieve the Corporation of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Corporation shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.9 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Corporation shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank’s negligence or willful misconduct. The Bank agrees to give notice to the Corporation of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the Corporation promptly of such assertion shall not relieve the Corporation of its obligation under this Section 2.9. Payments by the Corporation pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Corporation any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Corporation pursuant to this Section 2.9 received by the Bank for Taxes or Other Taxes that were paid by the Corporation pursuant to this Section 2.9 and to contest, with the cooperation and at the expense of the Corporation, any such Taxes or Other Taxes which the Bank or the Corporation reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the Corporation, the Corporation shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the Corporation under this Section 2.9 shall survive the termination of this Agreement.

Section 2.10. Payments and Computations. (a) The Corporation shall make or cause to be made each payment hereunder (i) representing reimbursement pursuant to Section 2.4 hereof to the Bank of the amount drawn on the Bank pursuant to a Drawing made under the Letter of Credit not later than 1:00 P.M., Los Angeles time, and (ii) not later than 10:00 A.M., Los Angeles time, for all other payments, on the day when due, in lawful money of the United States of America to the account of the Bank set forth in Section 2.10(c) hereof in immediately available funds; *provided, however,* that whenever any payment hereunder shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time; and *provided, further* that the Corporation shall be permitted to make any payment pursuant to Section 2.3 in next day funds if such payment is made (i) on the Business Day immediately

preceding the date on which such payment would otherwise have been due and (ii) in an amount equal to the amount that would have been required to have been paid had the payment not been made in next day funds in reliance upon this proviso. Payment received by the Bank after the applicable time set forth in this Section 2.10 shall be considered to have been made on the next succeeding Business Day. All computations of interest payable by the Corporation hereunder shall be made on the basis of a year of 365 days and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. All computations of fees payable by the Corporation hereunder shall be made on the basis of a 360 day year but calculated on the actual number of days elapsed.

(b) Unless otherwise provided herein, any amount payable by the Corporation hereunder that is not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Bank.

(c) Payments under this Agreement shall be made to the Bank as follows:

Payments due to the Bank related to drawings under the Letter of Credit or payment of Letter of Credit fees should be made to the Bank at: ABA#: 021000021 for credit to A/C#: 324331754, Ref Letter of Credit No. _____, Attn: GTS Trade Billing.

Section 2.11. Extension of Letter of Credit Expiration Date; Reduction in Stated Amount.

(a) On the Date of Issuance, the Letter of Credit Expiration Date shall be the Initial Letter of Credit Expiration Date. The Letter of Credit Expiration Date shall be subject to extension at any time following the then scheduled Letter of Credit Expiration Date, as set forth below and in the Letter of Credit. At least 90 days but not more than 120 days prior to the Letter of Credit Expiration Date, the Corporation and the County may request in writing that the Bank extend the Letter of Credit Expiration Date for an additional term of one year or such other period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify the Corporation and the County in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period, the Letter of Credit Expiration Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Letter of Credit Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify the Corporation, the Bank shall be deemed to have denied any such extension.

(b) *Reduction in Stated Amount.* The Corporation and the County may elect to reduce the Stated Amount of the Letter of Credit from time to time prior to the Letter of Credit Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice in the form attached to the Letter of Credit as Annex F, thereby reducing the Stated Amount, all as set forth in the Letter of Credit. Upon such reduction, the Stated Amount of the Letter of Credit shall not be less than the sum of (i) the face value of all discount Notes and (ii) the principal

amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

Section 2.12. Evidence of Debt; Revolving Note. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Corporation resulting from each drawing under the Letter of Credit and from each Advance and Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations of the Corporation therein recorded. To evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, the Corporation will issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity schedule therefor pursuant to Sections 2.5 and 2.6 respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of the Revolving Note.

Section 2.13. Obligations Absolute. The obligations of the Corporation under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms thereof, under all circumstances whatsoever, including without limitation the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment to, waiver of or consent to departure from any provision of, this Agreement or any of the Related Documents;
- (c) the existence of any claim, set-off, defense or other right which the Corporation or the County may have at any time against the Trustee, the Issuing and Paying Agent, the Dealer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement), any beneficiary or any transferee of the Letter of Credit (or any person or entity for whom any such beneficiary or any such transferee may be acting) or any other Person, whether in connection with this Agreement, any Related Document or any unrelated transaction;
- (d) any demand, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) any non-application or misapplication by the Issuing and Paying Agent of the proceeds of any drawing under the Letter of Credit;
- (f) payment by the Bank under the Letter of Credit to the person entitled thereto against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit, *provided* that such payment shall not have been the result of the gross negligence or willful misconduct of the Bank; or

(g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding the foregoing, the obligations of the Corporation under this Agreement are a special obligation of the Corporation payable solely from the Pledged Property. To the extent the County pays any obligation of the Corporation under this Agreement, such payment shall be deemed to be payment by the Corporation of such obligation.

Section 2.14. Termination; Acceptance of Alternate Credit Facility. Notwithstanding any provision of this Agreement or the Letter of Credit to the contrary, the Corporation nor the County shall terminate or replace the Letter of Credit prior to the Letter of Credit Expiration Date except upon (i) the payment to the Bank of a termination fee in an amount equal to the Applicable Letter of Credit Fee (based upon a Stated Amount in an amount equal to that in effect on the Date of Issuance) for three years, less the actual amount of Applicable Letter of Credit Fees the Corporation has previously paid to the Bank (the "*Termination Fee*"), (ii) the payment to the Bank of all fees, expenses and other amounts payable hereunder, (iii) the payment to the Bank of all principal and accrued interest owing on the Revolving Note and (iv) providing the Bank notice of its intention to do so at least sixty (60) days prior to the date of such termination or replacement; *provided* that all payments to the Bank referred to in clauses (i), (ii) and (iii) above shall be made with immediately available funds. Notwithstanding any provisions of this Section 2.14 to the contrary, the Corporation may terminate or replace the Letter of Credit in accordance with the Trust Indenture at any time without paying the Termination Fee (i) if any two of the following (A), (B) or (C) shall have occurred: (A) if the Bank is then rated by Moody's, the date on which Moody's shall have lowered or withdrawn the short-term rating on the Bank below "*P-1*," (B) if the Bank is then rated by S&P, the date on which S&P shall have lowered or withdrawn the short-term rating on the Bank below "*A-1*," or (C) if the Bank is then rated by Fitch, the date on which Fitch shall have lowered or withdrawn the short-term rating on the Bank below "*F-1*"; or (ii) upon the repayment or refunding of the Notes with the proceeds of long-term bonds fixed to maturity.

Section 2.15. Pledge by the Corporation. (a) To provide security to the Bank for the payment by the Corporation of the Reimbursement Obligations and any and all amounts now or hereafter owing to the Bank under this Agreement and the Revolving Note, the Corporation has pledged to the Bank the Pledged Property pursuant to the Trust Agreement and as evidenced by the Assignment Agreement and all right, title and interest in all funds in the Issuing and Paying Agent Fund.

(b) The Corporation's obligation to pay Reimbursement Obligations, including the Revolving Note, shall be a special obligation of the Corporation payable solely from the moneys pledged to the payment thereof pursuant to the Trust Agreement and this Agreement.

(c) The pledges made hereby are valid, binding and perfected from the time when they are made and property so pledged shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act, and the lien of such pledges shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No

instrument by which such pledges are created nor any financing statement need be recorded or filed.

Section 2.16. Maximum Interest Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed any maximum interest rate payable by law for any period for which interest is payable, then (i) interest at such maximum interest rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such maximum interest rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such maximum interest rate, at which time the Corporation shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such maximum interest rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. On the later of (i) the Termination Date and (ii) the date that all Reimbursement Obligations are payable hereunder, in consideration for any limitation of the rate of interest which may otherwise be payable hereunder, the Corporation shall pay or cause to be paid to the Bank a fee equal to the amount of all unpaid deferred Excess Interest (the “*Excess Interest Fee*”); *provided* that the Excess Interest Fee shall be payable as and to the extent that the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period exceeds the sum of all other Reimbursement Obligations remaining unpaid hereunder and the amount of interest accruing on the Notes during such Base Rental Period.

Section 2.17. Adjustment of Base Rental. (a) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, the County and the Corporation shall increase the amount of the Base Rental payable under the Sublease for the Property to the greater of (i) the Maximum Base Rental for the Property or (ii) the maximum fair rental value of the Property determined in accordance with subsection (b) below.

(b) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, unless the Sublease has terminated in accordance with its terms, the County and the Corporation agree, at the Bank’s sole written request, from time to time (but not more than once in any twelve month period), to determine or cause to be determined, the fair rental value for one or more Components. Such determination shall be by any method that the Bank may reasonably request, subject to the reasonable approval of such method by the County, the Corporation and bond counsel, including a Class C appraisal and shall be at the sole expense of the County and the Corporation. In addition, the County and the Corporation agree to extend the term of (i) the Site Lease in accordance with Section 4 thereof and (ii) the Sublease in accordance with Section 2.2 thereof, if, on the stated expiration thereof, any amounts remain owing to the Bank hereunder or under any of the other Related Documents.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.1. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions precedent on or before the Date of Issuance in form and substance and in a manner satisfactory to the Bank:

(a) The Bank shall have received:

(i) Certified copies of the resolutions of the Corporation and the County approving this Agreement, the other Related Documents and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of the Corporation and the County, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

(ii) A certificate of the Corporation and the County stating the names and true signatures of the officers of the Corporation and the County authorized to sign this Agreement and the other documents to be delivered by the Corporation and the County hereunder.

(iii) Executed or conformed copies of each of the Related Documents in form and substance satisfactory to the Bank.

(iv) A letter addressed to the Bank from Note Counsel, entitling the Bank to rely on such firm's approving Note opinion addressed to the Corporation.

(v) Evidence that the rating assigned to the Notes by S&P is A-1+ and by Moody's is P-1.

(vi) The Revolving Note duly executed and delivered by the Corporation to the Bank.

(vii) A certificate of the County setting forth the annual fair rental value of each Component.

(viii) Certificates of the Corporation and the County stating that (A) on the Date of Issuance, no event has occurred and is continuing, or would result from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and that (B) on the Date of Issuance and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Corporation and the County contained herein or otherwise made in writing in

connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(ix) An opinion of the County Counsel, as counsel to the Corporation, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(x) An opinion of the County Counsel, as counsel to the County, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xi) Audited financial statements for the County for the two most recently available fiscal years and the most recent operating budget summaries for the County's General Fund for the current fiscal year.

(xii) Evidence of title insurance on the Components in the form of a CLTA leasehold policy (10-21-87) of title insurance insuring the Trustee and naming the Bank as an additional insured, in an amount not less than the Commitment, subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including such endorsements as may be reasonably required by the Bank, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(xiii) Evidence of the County's current hazard and rental interruption insurance for the Components, and such insurance shall be satisfactory to the Bank. The Bank shall also have received a certificate from the County stating that the County's current policies of insurance and any self-insurance or alternative risk management programs maintained by the County comply with the provisions of Section 4.3 of the Sublease and Sections 5.1(u) hereof. Any such commercial insurance policies shall name the Bank as loss payee and additional insured and shall be issued by insurers rated "A" or better by Best's or approved by the Bank.

(xiv) A copy of the investment policy of the County.

(xv) Certificates of the Trustee and the Issuing and Paying Agent evidencing the signatures and offices of officers of each executing the Related Documents and with respect to the Issuing and Paying Agent, authorized to draw on the Letter of Credit, and with respect to such other matters as the Bank may reasonably request, and an opinion of counsel to each of the Issuing and Paying Agent and the Trustee, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xvi) Such other documents, certificates, opinions, approvals and filings with respect to the Related Documents and this Agreement as the Bank may reasonably request.

(b) All other legal matters pertaining to the execution and delivery of this Agreement, the Related Documents and the issuance of the first installment of the Notes shall be reasonably satisfactory to the Bank and its counsel.

(c) The Corporation shall have made payment to the Bank of all amounts due on the Date of Issuance under Section 7.6 hereof.

Section 3.2. Conditions Precedent to Each Credit Event. As a condition precedent to the occurrence of each Credit Event hereunder, including the initial Credit Event, the following conditions shall be satisfied on the date of such Credit Event:

(a) no Event of Default shall have occurred and be continuing; and

(b) the representations and warranties made by the Corporation and the County in Article 4 hereof (other than in Sections 4.1(g) and 4.2(g) hereof) shall be true and correct in all material respects on and as of such date, as if made on and as of such date.

On the occurrence of each Credit Event, the Corporation shall be deemed to have represented and warranted that the foregoing conditions precedent have been satisfied.

Section 3.3. No-Issuance Notice; Final Drawing Notice. The Bank may deliver a notice to the Issuing and Paying Agent in the form of (i) Annex H to the Letter of Credit (a “*Final Drawing Notice*”) or (ii) Annex G to the Letter of Credit (a “*No-Issuance Notice*”) at any time that the Bank shall have determined that (i) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 have not been satisfied or (ii) an Event of Default shall have occurred and be continuing. Upon receipt of such notice, the Issuing and Paying Agent shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded. Any such notice received after 7:00 A.M., Los Angeles time, on any day on which Notes are being issued, shall be deemed to have been received on the next succeeding day. The Bank shall not incur any liability as a result of the Bank’s giving of any No-Issuance Notice or Final Drawing Notice that, in its good faith judgment, the Bank determines to be in accordance with this Section 3.3. Notwithstanding anything in this Section 3.3 which may be to the contrary, a No-Issuance Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final

Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the County, Corporation and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. County Representations and Warranties. The County represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The County is validly existing as a political subdivision of the State, duly organized and validly existing under the Constitution of the State with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the County of this Agreement and the other Related Documents to which it is a party are within the County's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with, any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the County or by which the County or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the County (other than pursuant to such enumerated documents). The County is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the County, any agreement relating thereto, or any other contract or agreement (including its charter) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the County that would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the County is a party each constitutes a valid, binding and enforceable agreement of the County, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its organizational documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated by the Related Documents, or any applicable judgment, decree, loan agreement, note,

resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the County, threatened against or affecting, the County before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the County hereby makes to the Bank the same representations and warranties made by the County as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the County Administrative Officer, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the County is a party, or (ii) the performance by the County of its obligations under this Agreement or the other Related Documents to which the County is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property; Sublease.* The County has good and marketable fee simple title to all of the Components, subject only to Permitted Encumbrances. The Sublease is in full force and effect. The County, as lessee under the Sublease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the County's obligations under the Sublease has been granted by the Corporation. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the County, as of the date this representation is made, that would have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of any of the Related Documents.

(l) *Financial Information.* The consolidated statement of financial position of the County as of June 30, 2009, as well as each CAFR of the County as of any more recent date, delivered to the Bank pursuant to this Agreement, fairly present the financial condition of the County as at such date and the results of the operations of the County for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, and since the date of such financial information, there has been no change in the business, financial condition, results of operations, or prospects of the County which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(m) *Legal Matters.* The County is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the County, non-compliance with which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Environmental Laws.* Except as otherwise disclosed to the Bank prior to the Date of Issuance and to the best knowledge of County after due inquiry, with respect to each of the Components, the County is in material compliance with all applicable Environmental Laws (except to the extent non-compliance would have no material adverse effect on the annual fair market rental value of any such Component) of which compliance includes, but is not limited to, the possession by the County of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. To its knowledge after due inquiry, the County has not received any written communication that alleges that the County is not in such compliance.

(o) *ERISA.* The County does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(p) *Regulations U and X.* The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(q) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(r) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(s) *Solvency.* The County is solvent.

Section 4.2. Corporation Representations and Warranties. The Corporation represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The Corporation is validly existing as a non-profit public benefit corporation under the laws of the State, including the State Constitution, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the Corporation of this Agreement, the Revolving Note and the other Related Documents to which it is a party are within the Corporation's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with (except as has previously been made), any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, articles of incorporation, bylaws, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the Corporation or by which the Corporation or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the Corporation (other than pursuant to such enumerated documents). The Corporation is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the Corporation, any agreement relating thereto, or any other contract or agreement (including its articles of incorporation and bylaws) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the Corporation that would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the Corporation is a party each constitutes a valid, binding and enforceable agreement of the Corporation, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its articles of incorporation or its bylaws or other similar documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the Corporation, threatened against or affecting, the Corporation before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The Corporation does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the Corporation hereby makes to the Bank the same representations and warranties made by the Corporation as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the Treasurer of the Corporation, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or

any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the Corporation is a party, or (ii) the performance by the Corporation of its obligations under this Agreement or the other Related Documents to which the Corporation is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property.* The Corporation has good and marketable leasehold title to all of the Components pursuant to the Site Lease. The Site Lease is in full force and effect. The Corporation, as lessee under the Site Lease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the Corporation’s obligations under the Site Lease has been granted by the County. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Site Lease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the Corporation that would have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(l) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *Legal Matters.* The Corporation is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the Corporation, non-compliance with which would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Pledged Property.* The Trust Agreement creates a valid security interest in the Pledged Property as security for the punctual payment and performance of the obligations of the Corporation under this Agreement and under the Revolving Note.

(o) *Regulations U and X.* The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would

violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(p) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(q) *ERISA.* The Corporation does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(r) *Solvency.* The Corporation is solvent.

ARTICLE V

COVENANTS

Section 5.1. Covenants. The Corporation and the County each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The County and the Corporation will prepare or cause to be prepared and deliver to the Bank the following:

(i) as promptly as available (and in any event within 270 days following the end of each Fiscal Year of the County), the complete Comprehensive Annual Financial Report (“*CAFR*”) of the County, certified as to the fairness of presentation and conformity with generally accepted accounting principles by a recognized firm of independent certified public accountants;

(ii) concurrently with the delivery of each *CAFR* pursuant to (a)(i) above, upon the request of the Bank, a certificate from a County Representative certifying that such County Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing and a certificate from a the Corporation Representative certifying that such the Corporation Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing;

(iii) upon the request of the Bank, within ninety (90) days of proposal or adoption (as the case may be) of the most recently proposed or adopted annual operating budget of the County (as the case may be) with respect to the County’s General Fund, evidence that such annual operating budget with respect to the County’s General Fund includes therein as a separate line item all Minimum Required Rental Payments and Additional Payments due during such period, if not otherwise paid from capitalized interest funded by proceeds of the Notes; and

(iv) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the County or the Corporation, as the Bank may from time to time reasonably request.

All factual information hereinafter delivered by the Corporation or the County in writing to the Bank will be, to the knowledge of the authorized person delivering such information after reasonable inquiry, accurate and complete in all material respects on the date as of which such information is certified.

(b) *Amendments to Related Documents.* Without the prior written consent of the Bank, the Corporation and the County will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Related Document to which the Corporation or the County is a party that affects the rights, interests, security or remedies of the Bank hereunder.

(c) *Incorporation of Covenants by Reference.* The Corporation and the County each agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party, which provisions, as well as related defined terms contained herein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank.

(d) *Dealers; Issuing and Paying Agent.* The Corporation and the County will not, without the prior written consent of the Bank (which consent shall not be unreasonably withheld or delayed), appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent. The Corporation and the County shall at all times maintain one or more Dealers and an Issuing and Paying Agent under the Trust Agreement. The Corporation and the County shall cause the Dealers and the Issuing and Paying Agent to market, issue, and deliver, as applicable, Notes up to the Maximum Rate. If any Dealer fails to sell the Notes for sixty (60) consecutive days, then the Corporation and the County agree, at the written request of the Bank, to cause the applicable Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. Any dealer agreement with a successor Dealer shall provide that (a) such dealer may resign upon at least 60-days prior written notice to the County, Issuing and Paying Agent and the Bank and (b) such dealer shall use its best efforts to sell the Notes up to the Maximum Rate.

(e) *Outstanding Notes Plus All Interest to Accrue Thereon Not to Exceed Stated Amount; No Issuance after Receipt of No-Issuance Notice.* (i) The Corporation will instruct the Issuing and Paying Agent not to authenticate or deliver any Note if,

immediately after the authentication and delivery of, and receipt of payment for, such Note, the sum of (1) the face value of all discount Notes and (2) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof, would exceed the Stated Amount. (ii) The Corporation will not instruct the Issuing and Paying Agent to authenticate or deliver any Note if the Issuance and Paying Agent has received a No-Issuance Notice or Final Drawing Notice, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded.

(f) *Defaults.* The Corporation and the County will promptly (and in any event within ten Business Days after becoming aware thereof) notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and, to the extent a determination has been made, the action that the Corporation proposes to take with respect thereto.

(g) *Books, Records.* The Corporation and the County will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Corporation and the County, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances and accounts of the Corporation and the County with any representative or any other appropriate officer of the Corporation and the County or the Corporation's or the County's independent public accountants.

(h) *Other Obligations.* The Corporation and the County will each comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws, statutes and regulations binding upon it, noncompliance with which would materially adversely affect the Corporation's or the County's ability to perform its respective obligations under the Notes, this Agreement or any of the other Related Documents.

(i) *Litigation; Material Change.* The Corporation and the County shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could have a material adverse effect on (A) the ability of the Corporation or the County to perform their respective obligations hereunder or under the other Related Documents or (B) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(j) *Repayment of Drawings.* On and after the date of any drawing on the Letter of Credit, the Corporation will use its best efforts to cause the Dealer to sell Notes as soon as practicable and to use the proceeds of the sale of such Notes to repay such drawing.

(k) *Obligations under Related Documents.* The Corporation and the County shall take all actions as may be reasonably requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(l) *Replacement of Certain Entities.* The Corporation shall obtain the prior written consent of the Bank to the replacement of the Issuing and Paying Agent or the Dealer, which consent shall not be unreasonably withheld or delayed. The Corporation and the County shall provide the Bank with prior written notice of the replacement of any other entity that is a party to a Related Document.

(m) *Limitation on Voluntary Liens.* The Corporation and the County shall not create a pledge, lien or charge on any part of the Property or the Pledged Property, other than the lien in favor of holders of the Notes and the Bank; *provided, further,* that in no event shall any pledge, lien or charge on the Property or Pledged Property securing any swap termination or payments provided for pursuant to any Swap Contract be first in priority to the pledge, lien or charge on any part of the Property or the Pledged Property or any other obligation owed the Bank hereunder. The County and the Corporation covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other liens of whatever nature or character, which, in each case, might hamper the County in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.

(n) *County and the Corporation to Maintain Existence.* The Corporation agrees that it will maintain its existence as a California nonprofit public benefit corporation. The County agrees that it will maintain its existence as a political subdivision under its charter and the laws of the State.

(o) *Further Assurances.* The County and the Corporation will execute, acknowledge where appropriate, and deliver from time to time promptly at the request of the Bank all such instruments and documents as in the opinion of the Bank are reasonably necessary or desirable to carry out the intent and purposes of this Agreement.

(p) *No Impairment.* The County and the Corporation will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Related Document inconsistent with the rights and remedies of the Bank under this Agreement.

(q) *Lease Payments.* The County and the Corporation will not issue or authorize the issuance of any obligation payable from the Rental Payments (as defined in the Sublease) due under the Sublease other than the Notes and the Revolving Note.

(r) *References to the Bank.* The County and the Corporation will not refer to the Bank in any official statement, offering memorandum, or private placement memorandum or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

(s) *Title Insurance.* Title insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(t) *Maintenance of Insurance.* Insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(u) *Covenants and Legal Duties.* Subject to Section 3.1(g) of the Sublease, the County agrees to include all Minimum Required Rental Payments and Additional Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, and for all Minimum Supplemental Rental Payments, if any, subject to Section 3.5 of the Sublease. The covenants on the part of the County herein contained and in the Sublease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance, of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.

(v) *Use of Proceeds.* The proceeds of drawings made under the Letter of Credit will be expended solely to pay the principal of and interest on maturing Notes.

(w) *Ratings.* (i) The County shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by the County at Moody's or S&P in respect of its unenhanced General Obligation Debt. (ii) The County shall cause to be maintained at least one rating on its unenhanced General Obligation Debt by Moody's or S&P.

(x) *Voluntary Rent Abatement.* Except as required by law and the terms of the Sublease, the County shall not seek or assert a claim for abatement of rental payments under the Sublease.

(y) *Additional Rights.* In the event that the County shall enter into or otherwise consent to any credit agreement, reimbursement agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) pursuant to which a financial institution or financial institutions (each, a "*Lender*") undertakes to make loans or advances or extend credit or liquidity to the County and/or the Corporation as support for any commercial paper notes of the Corporation or the County (each, a "*Bank Agreement*"), which Bank Agreement (i) contains covenants that are more restrictive on the part of the County or the Corporation than those contained in this Agreement, (ii) contains events of default and/or

remedies that are more favorable to the Lender than those contained in this Agreement and/or (iii) provides that the Corporation or the County or any of the other parties thereto consent to the adjudication of any action, suit or proceeding arising under or relating to such Bank Agreement pursuant to judicial reference as provided in California Code of Civil Procedure Section 638 (collectively, the “*Additional Rights*”), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights. Upon entering into or consenting to any Bank Agreement, the County and the Corporation shall promptly enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Bank shall maintain the benefit of such Additional Rights even if the County and/or the Corporation fails to provide such amendment. If the County shall amend the Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Bank, this Agreement shall automatically no longer contain the Additional Rights and the Bank shall no longer have the benefits of any of the Additional Rights.

(z) *Immunity.* To the fullest extent permitted by law, each of the Corporation and the County agrees not to assert the defense of immunity (on the grounds of sovereignty or otherwise) in any proceeding by the Bank to enforce any of the obligations of the Corporation or the County under this Agreement or any other Related Document.

(aa) *ERISA.* The Corporation will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

(bb) *Alternate Letter of Credit.* The Corporation agrees to use its best efforts to obtain an Alternate Credit Facility for the Letter of Credit in the event that (i) the Bank decides not to extend the Letter of Credit Expiration Date (such replacement to occur on the then current Letter of Credit Expiration Date) or (ii) the Letter of Credit shall otherwise terminate in accordance with its terms.

(cc) *Swap Agreements.* The Corporation will use its best efforts to enter into all future Swap Contracts with counterparties rated “AA-” (or its equivalent) or better by at least one rating agency. In no event shall any swap counterparty with respect to any such Swap Contract be rated lower than “A” (or its equivalent) by at least one rating agency, without the prior written consent of the Bank, at the time of entering into such Swap Contract.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.1. Events of Default. The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) The Corporation or the County shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder, subject to the proviso in

Section 2.6(c) hereof, or (ii) any other Obligation as and when due hereunder and the continuance of such failure for a period of 30 days after written notice thereof;

(b) The Corporation or the County shall default in the performance of any of the covenants set forth in Section 5.1(b), (d), (h) (m), (n), (q), (s), (t), (u), (v), (w)(ii) or (cc) hereof;

(c) The Corporation or the County shall default in the performance of any other material term, covenant or agreement set forth herein and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the County, as applicable, by the Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the County (or incorporated by reference) in this Agreement or by the Corporation or the County in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The County shall (A) fail to make any payment on any Material County Debt (other than the Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material County Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material County Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material County Debt; or (C) any Material County Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material County Debt;

(f) The Corporation or the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the County under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the County, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of this Agreement or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the County, or the Corporation or the County shall contest the validity or enforceability thereof;

(i) Any pledge or security interest created hereunder or under the Trust Agreement to secure any amounts due under this Agreement shall fail to be valid or fully enforceable;

(j) An event of default shall occur under any of the Related Documents (other than this Agreement) or the County shall fail to make any payment under the Sublease when and as due;

(k) The long-term unenhanced rating by Moody's or S&P on any General Obligation Debt of the County shall be withdrawn, suspended or otherwise unavailable for credit related reasons or reduced below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively;

(l) One or more final, nonappealable judgments or orders for the payment of money in the aggregate amount of \$50,000,000 or more shall be rendered against the County and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; or

(m) Any "Event of Default" as defined in any of the Other Reimbursement Agreements shall have occurred.

Section 6.2. Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) issue a No-Issuance Notice, (ii) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent), (iii) declare the Revolving Note, in whole or in part, all or some Principal Advances and Term Loans, as well as any other Reimbursement

Obligation, and all interest thereon to be a Default Advance hereunder due and payable in the manner set forth in and subject to Section 2.6 hereof, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 6.1(f) or (g), the remedies described in clause (iii) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described in clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article 2 hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Reimbursement Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each drawing under the Letter of Credit following the occurrence of an Event of Default. Notwithstanding the foregoing, the occurrence of an Event of Default shall not affect the Bank's obligations under the Letter of Credit with respect to Notes that are outstanding at the time of the occurrence of such Event of Default, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes that are outstanding at the time of the occurrence of such Event of Default.

Nothing contained in Section 6.2 shall result in, or be construed to require, an acceleration of Base Rental under the Sublease and nothing contained in this Section 6.2 is intended to abrogate abatement of Base Rental made in accordance with the terms of the Sublease. Nothing contain in Section 6.2 shall abrogate the obligation of the Bank to honor properly presented and conforming Drawings under the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Amendments and Waivers. No amendment, change, discharge or waiver of any provision of this Agreement, nor consent to any departure by the Corporation or the County therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County, as the case may be, to any other or further notice or demand in the same, similar or other circumstances.

Section 7.2. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

| | |
|------------------------|---|
| If to the Corporation: | Los Angeles County Capital Asset Leasing Corporation 500 West Temple Street, Room 437 Los Angeles, California 90012 Attention: Treasurer and Tax Collector Facsimile: (213) 625-2249 Telephone: (213) 974-7175 |
|------------------------|---|

if to the County: County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the Bank: JPMorgan Chase Bank, National Association
270 Park Avenue, 6th Floor
New York, New York 10017-2014
Attention: David Bayer
Facsimile: (917) 546-2657
Telephone: (212) 270-4186

with a copy to: JPMorgan Chase Bank, National Association
Standby Letter of Credit No. CPCS-786385
300 South Riverside Plaza
Mail Code: IL1-0236
Standby Letter of Credit Unit
Chicago, Illinois 60606-0236
Facsimile: (312) 954-6163
Telephone: (800) 634-1696, option 1
Attention: Standby Service Unit

if to the Issuing
and Paying Agent: **[INSERT]**
Attention:
Telephone:
Facsimile:

if to the Trustee: **[INSERT]**
Attention: _____
Telephone: _____
Facsimile: _____

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Bank pursuant to the provisions of Article II shall not be effective until received by the Bank.

Section 7.3. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County to any other or further notice or demand in similar or

other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.4. Indemnification. (a) To the extent permitted by law, the Corporation and the County hereby indemnify and hold the Bank and its directors, officers, employees and agents (the “*Indemnified Parties*”) harmless from and against any and all claims, damages, losses, liabilities, costs or expenses which such Indemnified Parties may incur or which may be claimed against such Indemnified Parties by any person by reason of or in connection with (i) the offering, sale, remarketing or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents or in any supplement or amendment to the Offering Memorandum or any similar disclosure document (other than in connection with a description of the Bank), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading (other than in connection with a description of the Bank; (ii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iii) the issuance of the Letter of Credit or the use of any proceeds of the Letter of Credit; (iv) the execution, delivery and performance of this Agreement, or the making or the failure to honor a properly presented and conforming drawing under the Letter of Credit; or (v) any Property; *provided, however,* neither the Corporation nor the County, shall be required to indemnify an Indemnified Party pursuant to this Section 7.4(a) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank.

(b) To the extent not prohibited by applicable law, the Corporation and the County agree to indemnify and hold the Bank harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Notes and the other Related Documents, or any amendment thereto.

Section 7.5. Liability of the Bank. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for (i) the use which may be made of the proceeds of any Notes or any drawings under the Letter of Credit, (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon (other than the validity as against the Bank of any agreement to which the Bank is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iii) the lack of validity or enforceability of this Agreement, the Notes, any other Related Document or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), (iv) payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any drawings under the Letter of Credit, (vi) errors in interpretation of technical terms, (vii) any consequences arising from causes beyond the control of the Bank, including, without

limitation, any acts of governmental entities, or (viii) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; *provided*, that the Corporation and the County shall have claims against the Bank, and the Bank shall be liable to the Corporation and the County to the extent of any direct, as opposed to consequential, damages suffered by the Corporation or the County which the Corporation and the County prove were caused by the Bank's willful misconduct or gross negligence. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

Section 7.6. Expenses; Documentary Taxes. The Corporation shall pay or cause to be paid (a) fees and document production costs and disbursements of Chapman and Cutler LLP, special counsel for the Bank, in connection with the preparation of this Agreement and the Letter of Credit, (b) all reasonable out-of-pocket travel and other expenses incurred by the Bank in connection with this Agreement and the Letter of Credit, (c) all reasonable out-of-pocket expenses of the Bank, including fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel, in connection with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement or any Related Document. The Corporation shall reimburse the Bank for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution a delivery of this Agreement or any Related Document or the acquisition or disposition by the Bank of the Revolving Note pursuant to this Agreement.

Section 7.7. Binding Effect. (a) This Agreement shall become effective when it shall have been executed by the Corporation, the County and the Bank and thereafter shall be binding upon and inure to the benefit of the Corporation, the County and the Bank and their respective successors and assigns, except that the Corporation and the County shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank.

(b) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of the Letter of Credit and the obligations of the Corporation and the County hereunder and under the other Related Documents to any Participant Bank without the consent of the Corporation or the County, *provided* that no such action by the Bank shall relieve the Bank of its obligations under the Letter of Credit. The Bank may disclose to any Participant Bank or prospective Participant Bank any information or other data or material in the Bank's possession relating to this Agreement, any other Related Document, the Corporation, the County and the Property, without the consent of the Corporation or the County, *provided* that if required by the Corporation or the County, the Participant Bank or prospective Participant Bank shall certify to the Corporation and/or the County, as the case may be, that the information provided by the Bank is being used solely to assist the Participant Bank or prospective Participant Bank in evaluating its position as a Participant Bank in the Letter of Credit. No Participant Bank shall be entitled to receive any greater payment under Section 2.8 hereof than the Bank would have been entitled to receive with respect to the rights and obligations hereunder transferred.

Notwithstanding any participation granted by the Bank pursuant hereto, the Corporation and the County shall continue to deal solely and exclusively with the Bank in connection with the respective rights and obligations of the Corporation, the County and the Bank hereunder and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Bank hereunder and the Bank will continue to serve as the only contact for the Corporation and the County for all matters relating to this Agreement.

Section 7.8. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.9. Approvals. The Bank hereby approves with respect to the Notes, Deutsche Bank National Trust Company as Issuing and Paying Agent, and _____, as Dealers.

Section 7.10. Governing Law and Jurisdiction. (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 7.2 hereof.

(c) To the extent permitted by law, each of the Corporation, the County and the Bank irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Corporation's, the County's or the Bank's performance of its obligations under this Agreement or any other Related Document.

(d) The waivers made pursuant to this Section 7.10 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Section 7.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 7.12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.13. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

By: _____
Title: Authorized Officer

Date: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Title: Authorized Officer

Date: _____

(SEAL)

ATTEST:

By: _____
Assistant Secretary
Los Angeles County Capital Asset
Leasing Corporation

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as the Bank

By: _____
Name: _____
Title: _____

EXHIBIT A
[FORM OF LETTER OF CREDIT]
IRREVOCABLE LETTER OF CREDIT NO. _____

April __, 2010
U.S. \$175,000,000
No. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]

Attention: _____

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Los Angeles County Capital Asset Leasing Corporation (the "*Corporation*"), and County of Los Angeles (the "*County*"), in your favor, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") with respect to the Corporation's Commercial Paper Notes issued pursuant to the Amended and Restated Trust Agreement dated April 26, 2010 (the "*Trust Agreement*"), by and among the Corporation, the County and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), as it is from time to time amended, supplemented, waived and modified in accordance therein, pursuant to which up to \$400,000,000 in aggregate principal amount of the Corporation's Lease Revenue Commercial Paper Notes in the form of Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*") or Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*" and together with the Tax-Exempt Notes, collectively referred to herein as the "*Notes*"), are being issued, our Irrevocable Letter of Credit No. _____ in the initial maximum available amount of ONE HUNDRED SEVENTY-FIVE MILLION DOLLARS (\$175,000,000) as reduced, reinstated, increased and decreased from time to time (the "*Stated Amount*"), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Notes, effective on the date hereof and expiring at 4:00 p.m., Chicago time at our office in Chicago, Illinois set forth below on _____, 2013, except as extended pursuant to a notice from us to you in the form attached hereto as Annex E (the "*Letter of Credit Expiration Date*") or terminated earlier as hereafter provided; *provided, however*, that if such date is not a Business Day, the Letter of Credit Expiration Date shall be the next preceding Business Day. The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Corporation. This Letter of Credit is being issued pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County and the Bank. Capitalized

terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, (a) in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California, Illinois or New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit (a "*Business Day*"), by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Notes issued in accordance with the Indenture), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of and interest to maturity on Notes issued in accordance with the Indenture and that otherwise matures on or after the date that you receive notice from us in the form of Annex H hereto (the "*Final Drawing Notice*")), attached hereto (any such certificate being a "*Drawing*"), in each case an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only when and to the extent (i) of transfer by you to us on the date such Drawing is honored of proceeds of new Notes issued on such date or other funds furnished by or on behalf of the Corporation to us for such purpose, in either case in an aggregate amount equal to the amount of such Drawing, or upon written notice from us to you that we have been reimbursed by or on behalf of the Corporation for any amount drawn hereunder by any Drawing and (ii) you have not received from us a No-Issuance Notice in the form attached hereto as Annex G.

The Stated Amount of this Letter of Credit shall also be reduced from time to time on each Decrease Date specified in, and in the amounts set forth in, a notice from us to you in the form attached hereto as Annex F (each, a "*Decrease Notice*"). As of the applicable Decrease Date and upon such reduction, the Stated Amount shall not be less than your certification in the applicable Decrease Notice of the sum of the face value of all discount Notes and the principal amount of all outstanding non-discount Notes plus an amount (the "*Interest Coverage Amount*") equal to the sum of the products of the principal amount of each non-discount Note supported by this Letter of Credit times the interest rate per annum borne by such non-discount Note, divided by 365, times the number of days from the date of issuance of such non-discount Note to and including the maturity date of such non-discount Note.

Each Drawing shall be dated the date of its presentation, and shall be presented by facsimile (at facsimile number (312) 954-6163 or alternatively (312) 954-3140), Attention: Standby Letter of Credit Unit, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing shall be immediately confirmed by telephone (telephone number: (312) 954-1922 or alternatively to 1-800-634-1969, Option 1)), notifying us of such Drawing; *provided*, that, the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than 10:00 A.M., Chicago time on a Business Day prior to the termination hereof, we will honor the same by 2:00 P.M., Chicago time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of the Letter of Credit, after 10:00 A.M., Chicago time on a Business Day prior to the termination hereof, we will honor the same by 2:00 P.M., Chicago time on the next succeeding Business Day in accordance with your payment instructions.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the related Drawing. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent.

This Letter of Credit shall expire at 4:00 p.m., Chicago time, on the date (the earliest of such date to occur referred to herein as the "*Termination Date*") which is the earliest of (i) Letter of Credit Expiration Date, (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that an Alternate Credit Facility has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility, (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (a) the 15th calendar day after the date on which you receive the Final Drawing Notice, and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee together with the original Letter of Credit.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the Drawings referred to herein; and any such

reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will notify the Issuing and Paying Agent thereof within the time set forth above for honor of such demand for payment, such notice to be confirmed in writing to the Issuing and Paying Agent within one Business Day, and we shall return all documents to you.

Communications with respect to this Letter of Credit shall be addressed to us at JPMorgan Chase Bank, National Association, 300 South Riverside Plaza, Mail Code IL1-0236, Chicago, Illinois 60606-0236, Attention: Standby Letter of Credit Unit, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by us. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969, select Option 1, and have the Letter of Credit number available.

Communications with respect to this Letter of Credit shall be addressed to you at _____], Attention: _____], specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

Very truly yours,

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES

ANNEX A-1

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE FOR DRAWING]
CERTIFICATE FOR DRAWING IN CONNECTION
WITH THE PAYMENT OF PRINCIPAL AND INTEREST
IRREVOCABLE LETTER OF CREDIT NO. _____

JPMorgan Chase Bank, National Association
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236
Facsimile Number: (312) 954-6163
Alternate Facsimile Number: (312) 954-3140

Attention: Standby Letter of Credit Unit

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to JPMorgan Chase Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.
2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Notes, which payment is due on _____.
3. The amount of the Drawing is equal to \$_____, with \$_____ being drawn in respect of the payment of principal of maturing Notes and \$_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on maturing Notes does not exceed the Stated Amount of the Letter of Credit. The amount payable by the Bank with respect to this Drawing is \$_____.
4. Each such Note was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement and shall apply the same directly to the payment when due of the principal amount of the Notes and the interest amount owing on account of the Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

6. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

ANNEX A-2

TO

**JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. _____**

**CERTIFICATE FOR DRAWING IN CONNECTION WITH THE
PAYMENT OF PRINCIPAL AND INTEREST AFTER FINAL DRAWING NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____**

JP Morgan Chase Bank, National Association
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236
Facsimile Number: (312) 954-6163
Alternate Facsimile Number: (312) 954-3140

Attention: Standby Letter of Credit Unit

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to JP Morgan Chase Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Indenture and is acting as the agent for the holders of the Notes.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Notes issued in accordance with the Indenture but which matures on or after the date of a Final Drawing Notice.
4. The amount of the Drawing is equal to \$_____, with \$_____ being drawn in respect of the payment of principal of maturing Notes and \$_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Indenture. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, the Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. The Notes were authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Indenture.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Indenture and the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Notes and the interest amount owing on account of the Notes pursuant to the Indenture, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes has been presented for payment and paid by us, we will cancel such matured Notes.

7. This Certificate is being presented to the Bank on a date which is no later than the 15th calendar day after receipt by the Issuing and Paying Agent of the Final Drawing Notice.

8. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

ANNEX B

**TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____**

REQUEST FOR TRANSFER

Date: _____

JPMorgan Chase Bank, National Association
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236
Facsimile Number: (312) 954-6163
Alternate Facsimile Number: (312) 954-3140

Attention: Standby Letter of Credit Unit

Re: JPMorgan Chase Bank, National Association Irrevocable Letter of Credit
No. _____ dated _____, 2010

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the
above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee)

"Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Payment of transfer fee of U.S. \$___ is for the account of the Corporation and the County, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX C

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: ALTERNATE CREDIT FACILITY]
CERTIFICATE RE: ALTERNATE CREDIT FACILITY
IRREVOCABLE LETTER OF CREDIT NO. _____

JPMorgan Chase Bank, National Association
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236
Facsimile Number: (312) 954-6163
Alternate Facsimile Number: (312) 954-3140

Attention: Standby Letter of Credit Unit

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to JPMorgan Chase Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. The conditions precedent to the acceptance of an Alternate Credit Facility set forth in the Trust Agreement have been satisfied.
3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX D

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____
[FORM OF CERTIFICATE RE: NO OUTSTANDING NOTES]
CERTIFICATE RE: NO OUTSTANDING NOTES
IRREVOCABLE LETTER OF CREDIT NO. _____

JPMorgan Chase Bank, National Association
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236
Facsimile Number: (312) 954-6163
Alternate Facsimile Number: (312) 954-3140

Attention: Standby Letter of Credit Unit

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to JPMorgan Chase Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. No Notes (other than Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does the Corporation intend to issue any additional Notes under the Trust Agreement.
3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.
4. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX E

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]
NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of JPMorgan Chase Bank, National Association (the "*Bank*"), hereby certify to Deutsche Bank National Trust Company (the "*Issuing and Paying Agent*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, the Letter of Credit Expiration Date of the Letter of Credit has been extended to _____.
2. This letter should be attached to the Letter of Credit and made a part thereof.
3. The Corporation and the County's acknowledgment hereof shall be deemed to be the certification by the Corporation and the County that all of its representations and warranties contained in Article IV of the Reimbursement Agreement are true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the
_____ day of _____, _____.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX F

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: REDUCTION IN STATED AMOUNT]
CERTIFICATE RE: REDUCTION IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of JPMorgan Chase Bank, National Association (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, that pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, that the Stated Amount of the Letter of Credit shall be decreased in the amount of \$_____, effective as of _____ (the "Decrease Date"). The new Stated Amount of the Letter of Credit is \$_____. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by
Deutsche Bank National Trust Company, as
Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX G

TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NO-ISSUANCE NOTICE]
NO-ISSUANCE NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatories of JPMorgan Chase Bank, National Association (the “*Bank*”), hereby certify to Deutsche Bank National Trust Company (the “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the “*Reimbursement Agreement*”), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, *[insert one of the following phrases]* [the conditions precedent to the occurrence of a Credit Event (as defined in the Reimbursement Agreement) set forth in Section 3.2 of the Reimbursement Agreement have not been satisfied] [an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing].
2. Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 9:00 A.M., Chicago time, on a Business Day you shall cease authenticating Notes on the next Business Day.
3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX H

TO

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

LETTER OF CREDIT NO. _____

CERTIFICATE RE: FINAL DRAWING

IRREVOCABLE LETTER OF CREDIT NO. _____

Attention: _____

Reference is made to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Issuing and Paying Agent.

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Notice, to cease issuing Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Notes issued in accordance with the Indenture which is outstanding and is maturing or is hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

JP MORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, _____ by
_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

EXHIBIT B

**[FORM OF REVOLVING NOTE]
REVOLVING NOTE**

\$175,000,000

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the “*Corporation*”), for value received, hereby promises to pay to JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (the “*Bank*”), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank in New York, New York, the sum of \$175,000,000 or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the “*Grid*”) on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. The Corporation hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.5 and 2.6 of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Note, and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Corporation recorded therein.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the “*Reimbursement Agreement*”), among the Corporation, the County of Los Angeles California and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its due date accelerated.

The Corporation hereby agrees to pay or cause to be paid all expenses, including reasonable attorneys’ fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of the Corporation duly adopted.

The Corporation hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of _____, 2010.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title: Authorized Officer

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

REVOLVING NOTE GRID

**DRAWINGS, ADVANCES AND TERM LOANS
AND PAYMENTS OF PRINCIPAL AND INTEREST**

| Date | Drawing, Advance or Term Loan | Amount of Drawing, Advance or Term Loan | Principal Amount of Advances or Term Loans Repaid | Amount of Interest on Advances or Term Loans Repaid | Aggregate Advance Balance | Notation Made By |
|------|-------------------------------------|--|---|---|---------------------------------|---------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]

REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation (“*Corporation*”) and the County of Los Angeles (the “*County*”), hereby certify to JPMorgan Chase Bank, National Association (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(a) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby request an extension of the Letter of Credit Expiration Date to _____.

2. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Section 4.1(g) and 4.2(g) thereof) are true and correct and will be true and correct as of the date of this Certificate as if made on and as of the date hereof and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the date hereof or will occur as a result of the extension of the Letter of Credit Expiration Date of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT D

[FORM OF REQUEST FOR DECREASE IN STATED AMOUNT]

REQUEST FOR DECREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation ("*Corporation*") and the County of Los Angeles (the "*County*"), hereby certify to JPMorgan Chase Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby elect to reduce the Stated Amount of the Letter of Credit in the amount of \$ _____, effective as of _____ (the "*Decrease Date*").

2. The Decrease Date for which such decrease is requested is _____, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$ _____. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

EXHIBIT A-3

**PROPOSED FORM OF UNION BANK LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT**

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of April 1, 2010

among

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
COUNTY OF LOS ANGELES, CALIFORNIA

and

UNION BANK, N.A.

relating to

\$75,000,000 aggregate principal amount of
Los Angeles County Capital Asset Leasing Corporation
Lease Revenue Commercial Paper Notes

TABLE OF CONTENTS

| SECTION | HEADING | PAGE |
|---------------|--|------|
| ARTICLE I | DEFINITIONS | 1 |
| Section 1.1. | Certain Defined Terms..... | 1 |
| Section 1.2. | Computation of Time Periods..... | 11 |
| Section 1.3. | Accounting Terms..... | 11 |
| Section 1.4. | Terms Defined in Trust Agreement | 11 |
| Section 1.5. | Construction..... | 11 |
| ARTICLE II | AMOUNT AND TERMS OF THE LETTER OF CREDIT | 11 |
| Section 2.1. | The Letter of Credit | 11 |
| Section 2.2. | Issuance of the Letter of Credit..... | 11 |
| Section 2.3. | Fees | 11 |
| Section 2.4. | Payment of Amounts Drawn on Letter of Credit..... | 12 |
| Section 2.5. | Principal Advances | 12 |
| Section 2.6. | Conversion of Principal Advances to Term Loans; Term Loans; Default Advances | 12 |
| Section 2.7. | Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts..... | 14 |
| Section 2.8. | Increased Costs; Capital Adequacy | 15 |
| Section 2.9. | Net of Taxes, Etc..... | 17 |
| Section 2.10. | Payments and Computations..... | 18 |
| Section 2.11. | Extension of Letter of Credit Expiration Date; Increase in Stated Amount; Permanent Reduction of Commitment; Reduction in Stated Amount..... | 19 |
| Section 2.12. | Evidence of Debt; Revolving Note..... | 20 |
| Section 2.13. | Obligations Absolute | 21 |
| Section 2.14. | Termination; Acceptance of Alternate Credit Facility..... | 21 |
| Section 2.15. | Pledge by the Corporation | 22 |
| Section 2.15. | Maximum Interest Rate; Payment of Fee | 22 |
| Section 2.16. | Adjustment of Base Rental | 23 |
| ARTICLE III | CONDITIONS OF ISSUANCE | 24 |
| Section 3.1. | Conditions Precedent to Issuance of the Letter of Credit | 24 |
| Section 3.2. | Conditions Precedent to Each Credit Event..... | 26 |
| Section 3.3. | No-Issuance Notice; Final Drawing Notice | 26 |
| ARTICLE IV | REPRESENTATIONS AND WARRANTIES..... | 27 |
| Section 4.1. | County Representations and Warranties..... | 27 |
| Section 4.2. | Corporation Representations and Warranties | 30 |
| ARTICLE V | COVENANTS..... | 33 |

| | | |
|---------------|---|----|
| Section 5.1. | Covenants..... | 33 |
| ARTICLE VI | EVENTS OF DEFAULT | 38 |
| Section 6.1. | Events of Default | 38 |
| Section 6.2. | Upon an Event of Default | 40 |
| ARTICLE VII | MISCELLANEOUS | 41 |
| Section 7.1. | Amendments and Waivers | 41 |
| Section 7.2. | Notices | 41 |
| Section 7.3. | No Waiver; Remedies | 42 |
| Section 7.4. | Indemnification | 42 |
| Section 7.5. | Liability of the Bank | 43 |
| Section 7.6. | Expenses; Documentary Taxes | 44 |
| Section 7.7. | Binding Effect | 44 |
| Section 7.8. | Severability | 44 |
| Section 7.9. | Approvals | 45 |
| Section 7.10. | Governing Law and Jurisdiction | 45 |
| Section 7.11. | Headings | 45 |
| Section 7.12. | Counterparts | 45 |
| Section 7.13. | Integration | 45 |
| EXHIBIT A | – Form of Letter of Credit | |
| EXHIBIT B | – Form of Revolving Note | |
| EXHIBIT C | – Form of Request for Increase in Stated Amount | |
| EXHIBIT D | – Form of Request for Decrease in Stated Amount | |
| EXHIBIT E | – Form of Notice of Decrease in Unutilized Commitment | |
| EXHIBIT F | – Form of Request for Extension | |

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of April 1, 2010, among the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the “*Corporation*”), the COUNTY OF LOS ANGELES, CALIFORNIA (the “*County*”) and UNION BANK, N.A. (together with its successors and assigns, the “*Bank*”).

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated April 26, 2010, by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “*Trustee*”) as it is from time to time amended, supplemented, waived and modified in accordance therewith and with Section 5.1(b) hereof (collectively, the “*Trust Agreement*”), may from time to time issue up to \$75,000,000 in aggregate principal amount outstanding at any time of its Lease Revenue Commercial Paper Notes (the “*Notes*” and each, a “*Note*”);

WHEREAS, the Trust Agreement provides, as a condition precedent to the issuance of the Notes, for delivery to the Issuing and Paying Agent (as defined in the Trust Agreement) of a letter of credit with respect to the Notes; and

WHEREAS, the Bank has agreed to issue its letter of credit pursuant to this Agreement;

NOW THEREFORE, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. The following terms, as used herein, have the following meanings:

“*Advance*” means any Principal Advance or Default Advance.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” has the meaning set forth in the Trust Agreement.

“*Amortization Period*” has the meaning set forth in Section 2.6(b).

“*Applicable Letter of Credit Fee*” means, as of any date, the percentage per annum set forth below opposite the rating level (or, in the event of split ratings, the lowest rating level) applicable on such date to the County’s unenhanced General Obligation Debt:

| | RATINGS OF COUNTY'S UNENHANCED GENERAL OBLIGATION DEBT (S&P/MOODY'S) | APPLICABLE LETTER OF CREDIT FEE |
|---------|--|------------------------------------|
| Level 1 | A+/A1 or higher | 0.95% |
| Level 2 | A/A2 or below | 1.25% |

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by S&P or Moody’s to any unenhanced General Obligation Debt of the County (without giving effect to any bond insurance policy or other credit enhancement securing such General Obligation Debt). In the event of a split Rating (i.e. one of the foregoing Rating Agency’s Rating is at a different level than the Rating of either of the other Rating Agencies), the Applicable Letter of Credit Fee shall be based upon the level in which the lowest rating appears. Any change in the Applicable Letter of Credit Fee resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Corporation and County acknowledge, and the Bank agrees, that as of the Closing Date the Applicable Letter of Credit Fee is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default, the Applicable Letter of Credit Fee shall be increased by an additional one and one-half of one percent (1.50%) from the rate then in effect upon the occurrence of such Event of Default. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Applicable Letter of Credit Fees from the date payment is due until payment in full at the Default Rate.

“*Applicable Unutilized Commitment Fee*” means, as of any date, the percentage per annum set forth below opposite the rating level (or, in the event of split ratings, the lowest rating level) applicable on such date to the County’s unenhanced general obligation bonds:

| | RATINGS OF COUNTY'S UNENHANCED GENERAL OBLIGATION DEBT (S&P/MOODY'S) | APPLICABLE UNUTILIZED COMMITMENT FEE |
|---------|---|--|
| Level 1 | A+/A1 or higher | 0.50% |
| Level 2 | A/A2 or below | 0.80% |

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by S&P or Moody’s to any unenhanced General Obligation Debt of the County (without giving effect to any bond insurance policy or other credit enhancement securing such General Obligation Debt). In the event of a split Rating (i.e. one of the foregoing Rating

Agency's Rating is at a different level than the Rating of either of the other Rating Agencies), the Applicable Unutilized Commitment Fee shall be based upon the level in which the lowest rating appears. Any change in the Applicable Unutilized Commitment Fee resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Corporation and County acknowledge, and the Bank agrees, that as of the Closing Date the Applicable Unutilized Commitment Fee is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default, the Applicable Unutilized Commitment Fee shall be increased by an additional one and one-half of one percent (1.50%) from the rate indicated for Level 2 above. The Applicable Unutilized Commitment Fees shall be payable quarterly in arrears, together with interest on the Applicable Unutilized Commitment Fees from the date payment is due until payment in full at the Default Rate.

"BANA Reimbursement Agreement" means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Bank of America, N.A.

"Bank" has the meaning assigned that term in the first paragraph of this Agreement.

"Base Rate" means, for any day, a per annum rate equal to the higher of (i) the Reference Rate and (ii) the Federal Funds Rate plus one percent (1.0%).

"Base Rental" has the meaning set forth in the Trust Agreement.

"Base Rental Period" has the meaning set forth in the Sublease.

"Business Day" means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the Corporation and state in which demands for payment may be presented under the Letter of Credit.

"CAFR" has the meaning set forth in Section 5.1(a)(i).

"Commitment" means, on the Date of Issuance, \$75,000,000, as such amount may be permanently decreased upon permanent reduction of the Unutilized Commitment in accordance with Section 2.11(c) hereof, which Commitment amount is equal to the sum of the Stated Amount of the Letter of Credit plus the Unutilized Commitment on the Date of Issuance. In no event shall the Commitment exceed \$75,000,000.

“*Commitment Expiration Date*” means the Letter of Credit Expiration Date or such earlier date on which the Bank or the Corporation and the County may permanently reduce the Unutilized Commitment to zero (0).

“*Component*” has the meaning set forth in the Sublease.

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation, or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Corporation*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Corporation Representative*” has the meaning set forth in the Trust Agreement.

“*County*” means the County of Los Angeles, California, and its successors and assigns.

“*County Representative*” has the meaning set forth in the Trust Agreement.

“*Credit Event*” means any one of the following: the issuance of the Letter of Credit; an increase in the Stated Amount of the Letter of Credit; the making of any Principal Advance; or the conversion of a Principal Advance to a Term Loan.

“*Date of Issuance*” means the date on which the conditions precedent set forth in Section 3.1 of this Agreement are met or waived by the Bank and the Letter of Credit is issued.

“*Dealer*” means, with respect to the Notes, each and every Dealer appointed by the Corporation pursuant to a Dealer Agreement, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Notes appointed by the Corporation.

“*Dealer Agreement*” means, collectively, each Commercial Paper Dealer Agreement, by and among the Corporation, the County and one of _____, _____, and _____, respectively, as a Dealer, providing for the acceptance by such Dealer of the duties and obligations imposed thereby and imposing certain other duties and obligations, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; (i) all Contingent Obligations of such Person; and (j) obligation of such Person due and payable under Swap Contracts; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business; and *provided, further*, however that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the General Fund of the County.

“*Decrease Date*” means each Decrease Date set forth in a Notice of Decrease in Stated Amount.

“*Default*” means an event that with the giving of notice or passage of time, or both, shall constitute an Event of Default.

“*Default Advance*” or “*Default Advances*” each has the meaning assigned that term in Section 2.6(c).

“*Default Rate*” means, on any particular date, a rate of interest per annum equal to five percent (5.0%) per annum in excess of the Base Rate in effect on such date.

“*Drawing*” has the meaning assigned to that term in the Letter of Credit.

“*Environmental Laws*” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“ERISA” - means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“Event of Default” has the meaning assigned that term in Section 6.1.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Final Drawing Notice” has the meaning set forth in the Letter of Credit.

“Fiscal Year” means the twelve-month period commencing on July 1 of each year; *provided, however,* that the County may, from time to time, agree on a different twelve-month period as the Fiscal Year.

“General Obligation Debt” means any Debt of the County, the payment of which is secured by the full faith and credit of the County.

“Increase Date” means each Increase Date set forth in a Notice of Increase in Stated Amount.

“Initial Letter of Credit Expiration Date” means _____, 2013.

“Issuing and Paying Agent Agreement” means the Amended and Restated Issuing and Paying Agent Agreement, dated April 26, 2010, between the Corporation and Deutsche Bank National Trust Company, as Issuing and Paying Agent for the Notes, providing for the acceptance by such Issuing and Paying Agent of the duties and obligations imposed thereby and imposing certain other duties and obligations, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

“Issuing and Paying Agent” means the Issuing and Paying Agent appointed with respect to the Notes pursuant to Article V of the Trust Agreement, and having the duties, responsibilities and rights provided for therein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“JPMC Reimbursement Agreement” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and JPMorgan Chase Bank, National Association.

“Letter of Credit” means an irrevocable direct-pay letter of credit issued by the Bank, in substantially the form of Exhibit A hereto.

“Letter of Credit Expiration Date” has the meaning assigned to that term in the Letter of Credit.

“Material County Debt” means any Debt of the County that is outstanding in a principal amount of \$50,000,000 or more.

“Maximum Base Rental” has the meaning set forth in the Sublease.

“Maximum Rate” means twelve percent (12%) per annum.

“Minimum Required Rental Payment” has the meaning set forth in the Sublease.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“No-Issuance Notice” has the meaning assigned that term in Section 3.3.

“Note” and *“Notes”* each has the meaning assigned in the first recital of this Agreement.

“Notice of Decrease in Stated Amount” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex F to the Letter of Credit.

“Notice of Decrease in Unutilized Commitment” means a notice from the Bank to the Corporation and the County substantially in the form of Exhibit E hereto.

“Notice of Extension” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex G to the Letter of Credit.

“Notice of Increase in Stated Amount” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex E to the Letter of Credit.

“Offering Memorandum” means the offering memorandum with respect to the Notes.

“Other Reimbursement Agreements” means the BANA Reimbursement Agreement, the JPMC Reimbursement Agreement and the Wells Reimbursement Agreement.

“Outstanding” when used in reference to Notes means, as of a particular date, all Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Note cancelled at or before such date, (ii) any Note deemed to have been paid in accordance with the Trust

Agreement and (iii) any Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“Participant Bank” means any institution to which the Bank has granted a participation in or assigned, sold, or otherwise transferred the whole or any part of the Bank’s rights or obligations (or both) under this Agreement or any other Related Document.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” - means, with respect to the Corporation at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Pledged Property” has the meaning set forth in the Trust Agreement.

“Principal Advance” and *“Principal Advances”* each has the meaning assigned to that term in Section 2.5.

“Principal Advance Rate” means, on any particular date, a rate of interest calculated with respect to a particular Principal Advance equal to the Base Rate in effect for such date plus three percent (3.0%); *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, *“Principal Advance Rate”* shall mean the Default Rate; *provided, further*, that at no time shall the Principal Advance Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“Property” has the meaning set forth in the Trust Agreement.

“Quarterly Payment Date” means the first day of each January, April, July and October.

“Rating Agency” means Moody’s or S&P.

“Reference Rate” means the rate of interest publicly announced from time to time by the Bank as its “reference rate,” which is a rate generally tied to its “prime rate” and is set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate.

“Reimbursement Obligations” means any and all amounts including, but not limited to, fees, expenses, amounts drawn under the Letter of Credit, Principal Advances, Term Loans and Default Advances, which may from time to time be owing by the Corporation to the Bank under this Agreement.

“Related Documents” means the Trust Agreement, the Letter of Credit, this Agreement, the Notes, the Revolving Note, the Issuing and Paying Agent Agreement, the Site Lease, the Sublease and the Dealer Agreements.

“Rental Payments” has the meaning set forth in the Sublease.

“Request for Decrease in the Stated Amount” means a notice from the Corporation to the Bank substantially in the form of Exhibit D attached hereto.

“Request for Extension” means a notice from the Corporation to the Bank substantially in the form of Exhibit F attached hereto.

“Request for Increase in the Stated Amount” means a notice from the Corporation and the County to the Bank substantially in the form of Exhibit C attached hereto.

“Revolving Note” means the Corporation’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.12 hereof, to evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“Site Lease” means the Amended and Restated Site Lease dated April 26, 2010, by and between the County and the Corporation, as from time to time amended or supplemented in accordance therewith and with Section 5.1(b) hereof.

“State” means the State of California.

“Stated Amount” has the meaning assigned that term in the Letter of Credit.

“Sublease” means the Amended and Restated Sublease dated April 26, 2010, by and between the County and the Corporation, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“Sublease Term” has the meaning set forth in the Sublease.

“Swap Contract” - means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor

transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” has the meaning assigned that term in Section 2.9(a).

“*Termination Date*” has the meaning assigned to that term in the Letter of Credit.

“*Term Loan*” and “*Term Loans*” each has the meaning assigned that term in Section 2.6(a).

“*Term Loan Conversion Date*” has the meaning assigned that term in Section 2.6(a).

“*Term Loan Rate*” means, on any particular date, a rate of interest calculated with respect to a particular Term Loan equal to the Base Rate from time to time in effect plus four percent (4.0%) per annum; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Term Loan Rate*” shall mean the Default Rate; *provided, further*, that at no time shall the Term Loan Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“*Trust Agreement*” has the meaning assigned in the first recital of this Agreement.

“*Trustee*” means Deutsche Bank National Trust Company, and its successor or successors, and any other person that may at any time be substituted in its place pursuant to the Trust Agreement.

“*Unutilized Commitment*” means an amount equal to (a) the Commitment, minus (b) the sum of (i) the Stated Amount of the Letter of Credit determined (x) without regard to reductions in such Stated Amount subject to automatic reinstatement as provided in the Letter of Credit, but (y) after giving effect to permanent reductions in the Stated Amount of the Letter of Credit as contemplated by Annex F to the Letter of Credit, plus (ii) the amount of all drawings for which the Bank has not been reimbursed to the extent that the Stated Amount of the Letter of Credit will not be automatically reinstated upon the Bank’s reimbursement for such drawing.

“*Wells Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Wells Fargo Bank, National Association.

Section 1.2. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” Unless specified otherwise, all references to time shall mean Los Angeles time.

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted United States accounting principles consistently applied.

Section 1.4. Terms Defined in Trust Agreement. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Trust Agreement.

Section 1.5. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.1. The Letter of Credit. The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Issuing and Paying Agent in the Stated Amount as of the Date of Issuance and expiring by its terms not later than the Letter of Credit Expiration Date.

Section 2.2. Issuance of the Letter of Credit. The Bank will issue the Letter of Credit to the Issuing and Paying Agent on the Date of Issuance upon fulfillment of the applicable conditions precedent set forth in Section 3.1.

Section 2.3. Fees. The Corporation shall pay or cause to be paid to the Bank:

- (a) an annual commitment fee equal to Applicable Letter of Credit Fee applied to the Stated Amount of the Letter of Credit in effect from time to time for the period from the Date of Issuance to and including the Letter of Credit Expiration Date;

(b) an annual commitment fee equal to Applicable Unutilized Commitment Fee applied to the daily average Unutilized Commitment in effect from time to time hereunder for the period from the Date of Issuance to and including the Commitment Expiration Date;

(c) on the date of each drawing under the Letter of Credit, a draw fee of \$250; *provided, however*, that the Corporation shall not be required to pay more than \$1,500 in draw fees during any twelve-month period following the Date of Issuance or any anniversary thereof;

(d) upon any amendment, modification, transfer or extension of the Letter of Credit, the Bank's reasonable and customary administrative fees; and

(e) a closing fee equal to \$75,000 payable to the Bank on the Date of Issuance.

The fees set forth in Section 2.3(a) and (b) above shall be computed using a 360-day year for the actual number of days elapsed, and shall be payable quarterly in arrears, commencing on **[July 1]**, 2010, and thereafter on each Quarterly Payment Date and on the Termination Date.

Section 2.4. Payment of Amounts Drawn on Letter of Credit. (a) The Corporation shall pay or cause to be paid to the Bank an amount equal to that amount drawn on the Bank under the Letter of Credit pursuant to any Drawing with respect to the payment of accrued interest on maturing Notes or, subject to the provisions of Section 2.5 hereof, any Drawing with respect to the payment of principal of maturing Notes, on the same Business Day such drawing is honored.

(b) Any amount drawn under the Letter of Credit pursuant to a Drawing that is not repaid to the Bank when due as provided in clause (a) of Section 2.4, shall bear interest at the Default Rate until paid in full, payable on demand. Principal Advances, Term Loans and Default Advances shall be repaid to the Bank as provided in Sections 2.5 and 2.6 hereof.

(c) Any amount drawn under the Letter of Credit shall be noted by the Bank as principal due and owing on the grid attached to the Revolving Note pursuant to Section 2.12.

Section 2.5. Principal Advances. If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions precedent set forth in Section 3.2 shall have been fulfilled, and the Corporation (at its option) does not reimburse or cause to be reimbursed the Bank in connection therewith on the same Business Day, then such payment shall constitute a principal advance made by the Bank to the Corporation on the date and in the amount of such payment (each such advance being a "Principal Advance" and, collectively, the "Principal Advances"). The Corporation shall pay or cause to be paid interest on the unpaid amount of each Principal Advance from the date that such Principal Advance is made by the Bank until such amount is repaid in full.

Section 2.6. Conversion of Principal Advances to Term Loans; Term Loans; Default Advances. (a) Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, any

amount of a Principal Advance (but not a Default Advance) remaining unpaid by the Corporation to the Bank under Section 2.5 on the earlier of (x) the thirtieth day after the date on which such Principal Advance was made and (y) the Termination Date (the "*Term Loan Conversion Date*") shall be converted to a term loan (each, a "*Term Loan*" and, collectively, the "*Term Loans*").

(b) The Corporation shall repay or cause to be repaid the principal amount of each Term Loan in installments as to principal, commencing on the first Quarterly Payment Date commencing after the Term Loan Conversion Date and on each Quarterly Payment Date thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the date which is the earlier of (i) the fifth anniversary of such Term Loan Conversion Date and (ii) the second anniversary of the Termination Date (the foregoing period with respect to each Term Loan herein referred to as an "*Amortization Period*"). The principal amount of each Term Loan shall be amortized over the related Amortization Period in equal quarterly installments of principal; *provided, however*, that the unpaid amount of each Term Loan shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for the corresponding Base Rental Period, and to the extent not so repaid, such Term Loan shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Term Loan shall continue to be an obligation of the County pursuant to the Sublease. The Corporation may prepay or cause to be prepaid the outstanding amount of any Term Loan in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to the conversion of a Principal Advance to a Term Loan. Each Term Loan shall bear interest at the Term Loan Rate, payable monthly in arrears on the first day of each calendar month during the term of such Term Loan and on the date on which the final installment of principal of the Term Loan is payable or, if such Term Loan bears interest at the Default Rate, upon demand.

(c) If (i) the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions set forth in Section 3.2 shall not have been fulfilled, and the Corporation fails to reimburse or cause to be reimbursed the Bank in connection therewith, (ii) the Bank shall have made a Principal Advance to the Corporation and the conditions set forth in Section 3.2 shall not have been fulfilled on the Term Loan Conversion Date or (iii) an Event of Default shall have occurred while any Principal Advance remains outstanding, such payment or Principal Advance shall constitute a default advance (and not a Principal Advance) made by the Bank to the Corporation from and after the date and in the amount of such payment under the Letter of Credit or such other date on which any event described in clauses (i), (ii) or (iii) above shall occur (each such default advance being a "*Default Advance*" and, collectively, the "*Default Advances*"). The Corporation hereby agrees to pay or cause to be paid to the Bank (i) interest at the Default Rate on any amount of the Default Advance remaining unpaid by the Corporation to the Bank from the date of such Default Advance until payment in full, payable in arrears, upon demand, and (ii) the unpaid amount of each Default Advance immediately upon demand by the Bank but if no demand is made, then on each Quarterly Payment Date in an amount equal to the then fair rental value with respect to the

Components subject to the Sublease for such quarterly period; *provided, however*, that the unpaid amount of each Default Advance shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period, and to the extent not so repaid, such Default Advance shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Default Advance shall continue to be an obligation of the County pursuant to the Sublease.

Section 2.7. Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts. (a) The Corporation may prepay or cause to be prepaid the amount of any Principal Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid. Any prepayment in part under this Section 2.7(a) shall be applied by the Bank against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

(b) Any prepayment made under Section 2.7(a) shall be applied by the Bank as a reimbursement of the related drawing (and as a prepayment of the Principal Advance or Term Loan, as the case may be, resulting from such drawing) and, in the case of a prepayment of a Principal Advance, the Corporation irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided, however*, that the Issuing and Paying Agent shall not deliver any Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to repayments of Term Loans or Default Advances, unless otherwise agreed to by the Bank.

(c) In the event that the Issuing and Paying Agent delivers any Notes while any Principal Advance or Term Loan or any portion of any Principal Advance or Term Loan remains unpaid, the Corporation shall apply the proceeds of any such Notes to the prepayment of such outstanding Principal Advance or Term Loan, as the case may be. Any prepayment in part under this Section 2.7(c) shall be applied against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

Section 2.8. Increased Costs; Capital Adequacy. (a) In the event of the adoption after the date hereof of any law, rule or regulation (domestic or foreign), or any change after the date hereof in any law, rule or regulation, or the interpretation or application thereof by any court, governmental authority, central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any governmental authority, central bank or comparable authority (whether or not having the force of law):

(i) subjects the Bank or any Participant Bank to any tax, deduction or withholding with respect to this Agreement, the Letter of Credit or the Revolving Note (other than any tax based upon the overall net income of the Bank or such Participant Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits (including letters of credit) or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank or any Participant Bank, or

(iii) imposes upon the Bank or any Participant Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank or such Participant Bank hereunder, the Letter of Credit or the Revolving Note,

and the result of any of the foregoing is to increase the cost to the Bank or such Participant Bank, reduce the income receivable by the Bank or such Participant Bank, impose any expense upon the Bank or such Participant Bank or reduce the amount of any payment receivable by the Bank or such Participant Bank, with respect to this Agreement, the Letter of Credit or the Revolving Note, as reasonably determined and allocated by the Bank or such Participant Bank, by an amount which the Bank or such Participant Bank deems to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank or such Participant Bank of the nature described in the next sentence, and the Corporation or the County, on behalf of the Corporation, shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such increase in cost, reduction in income, additional expense or reduced amount. A certificate setting forth such increase in cost, reduction in income or additional expense or reduced amount (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(b) If the Bank or any Participant Bank shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy, or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any Participant Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of the Bank or such Participant Bank as a consequence of its rights or obligations hereunder, under the Letter of Credit or with respect to the Revolving Note to a level below that which the Bank or such Participant Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Corporation shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such reduction in rate of return on capital. A certificate setting forth such reduction in rate of return on capital (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(c) The Bank shall notify the Corporation and the County of any such impending or announced change in law, regulation or interpretation referred to in subsection (a) or (b) of this Section 2.8 promptly upon receipt by it of actual notice of such change; *provided, however*, that any delay or failure to so notify the Corporation or the County shall not in any manner relieve the Corporation or the County of their obligations under this Section 2.8. Notwithstanding anything contained in paragraphs (a) and (b) of this Section 2.8, the Corporation and the County shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one hundred eighty (180) days prior to the date that the above described notice is given to the Corporation and the County with respect thereto (the "*Cut-Off Date*"), except where (A) the Bank had no actual knowledge of the action resulting in such increased costs, increased capital or reduction in return as of the Cut-Off Date or (B) such increased costs, increased capital or reduction in return apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) Notwithstanding anything to the contrary in this Section 2.8, in the event the Bank grants any participation to any Participant Bank pursuant to Section 7.7(b) hereof, neither the Corporation nor the County shall have any obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Bank had not granted such participation.

(e) The obligations of the County and Corporation under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9. Net of Taxes, Etc.

(a) *Taxes.* Any and all payments to the Bank by the Corporation hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If the Corporation shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.9), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Corporation shall make such deductions and (iii) the Corporation shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Corporation shall make any payment under this Section 2.9 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Corporation an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Corporation with respect to such Taxes. In addition, the Corporation agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "*Other Taxes*"). The Bank shall provide to the Corporation within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Corporation to the Bank hereunder *provided* that the Bank's failure to send such notice shall not relieve the Corporation of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Corporation shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.9 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Corporation shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's negligence or willful misconduct. The Bank agrees to give notice to the Corporation of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the Corporation promptly of such assertion shall not relieve the Corporation of its obligation under

this Section 2.9. Payments by the Corporation pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Corporation any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Corporation pursuant to this Section 2.9 received by the Bank for Taxes or Other Taxes that were paid by the Corporation pursuant to this Section 2.9 and to contest, with the cooperation and at the expense of the Corporation, any such Taxes or Other Taxes which the Bank or the Corporation reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the Corporation, the Corporation shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the Corporation under this Section 2.9 shall survive the termination of this Agreement.

Section 2.10. Payments and Computations. (a) The Corporation shall make or cause to be made each payment hereunder (i) representing reimbursement pursuant to Section 2.4 hereof to the Bank of the amount drawn on the Bank pursuant to a Drawing made under the Letter of Credit not later than 1:00 P.M., Los Angeles time, and (ii) not later than 10:00 A.M., Los Angeles time, for all other payments, on the day when due, in lawful money of the United States of America to the account of the Bank set forth in Section 2.10(c) hereof in immediately available funds; *provided, however,* that whenever any payment hereunder shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time; and *provided, further* that the Corporation shall be permitted to make any payment pursuant to Section 2.3 in next day funds if such payment is made (i) on the Business Day immediately preceding the date on which such payment would otherwise have been due and (ii) in an amount equal to the amount that would have been required to have been paid had the payment not been made in next day funds in reliance upon this proviso. Payment received by the Bank after the applicable time set forth in this Section 2.10 shall be considered to have been made on the next succeeding Business Day. All computations of interest payable by the Corporation hereunder shall be made on the basis of a year of 365 days and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. All computations of fees payable by the Corporation hereunder shall be made on the basis of a 360 day year but calculated on the actual number of days elapsed.

(b) Unless otherwise provided herein, any amount payable by the Corporation hereunder that is not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Bank.

(c) Payments under this Agreement shall be made to the Bank as follows:

Payments due to the Bank related to drawings under the Letter of Credit or payment of Letter of Credit fees should be made to Union Bank, N.A. at: ABA#: 1220-00496 for credit to A/C#: 30516-196431, Ref Letter of Credit No. _____, Attn: SCAL TSO STANDBY LOC, or such other office as the Bank may designate from time to time.

Section 2.11. Extension of Letter of Credit Expiration Date; Increase in Stated Amount; Permanent Reduction of Commitment; Reduction in Stated Amount.

(a) *Extension of Letter of Credit Expiration Date.* On the Date of Issuance, the Letter of Credit Expiration Date shall be the Initial Letter of Credit Expiration Date. The Letter of Credit Expiration Date shall be subject to extension at any time following the then scheduled Letter of Credit Expiration Date, as set forth below and in the Letter of Credit. At least 90 days but not more than 120 days prior to the Letter of Credit Expiration Date, the Corporation and the County may request in writing that the Bank extend the Letter of Credit Expiration Date for an additional term of one year or such other period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify the Corporation and the County in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period, the Letter of Credit Expiration Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Letter of Credit Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify the Corporation, the Bank shall be deemed to have denied any such extension.

(b) *Increase in Stated Amount of the Letter of Credit.* The Bank agrees, upon satisfaction of the conditions set forth in this Section 2.11(b), to increase the Stated Amount of the Letter of Credit from time to time prior to the Commitment Expiration Date by an amount not to exceed the Unutilized Commitment. Upon satisfaction of the conditions precedent set forth in this Section 2.11(b), the Bank shall execute and deliver a Notice of Increase in Stated Amount to the Issuing and Paying Agent with an Increase Date within five (5) days following receipt by the Bank of a Request for Increase in the Stated Amount, and upon such delivery, the Stated Amount of the Letter of Credit shall be increased on the Increase Date to the amount set forth in such Notice of Increase in Stated Amount. If for any reason the Bank fails to deliver a Notice of Increase in Stated Amount to the Issuing and Paying Agent with an Increase Date within five (5) days following receipt by the Bank of any Request for Increase in the Stated Amount, the conditions precedent set forth below shall be deemed to be unsatisfied and such request shall be deemed to be denied by the Bank, absent manifest evidence to the contrary. As a condition precedent to any increase in the Stated Amount of the Letter of Credit, each of the following conditions shall be satisfied as determined by the Bank:

(i) the Bank shall have received an executed original Request for Increase in the Stated Amount of the Letter of Credit at least five (5) days prior to the proposed Increase Date;

(ii) the Commitment Expiration Date shall not have occurred;

(iii) the amount of the requested increase in the Stated Amount of the Letter of Credit shall not exceed the Unutilized Commitment;

(iv) the annual fair market rental value with respect to the Components subject to the Sublease is at least equal to the sum of the Stated Amount of the Letter of Credit as increased plus the amount then outstanding on the Revolving Note;

(v) the representations and warranties made by the Corporation and the County in Article 4 hereof (other than Sections 4.1(g) and 4.2(g) hereof) shall be true and correct on and as of the Increase Date as if made on and as of the Increase Date; and

(vi) no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the Increase Date or shall occur as a result of the requested increase in the Stated Amount of the Letter of Credit.

(c) *Permanent Reduction of Unutilized Commitment.* The Corporation and the County may at any time prior to the Commitment Expiration Date request the Bank to permanently reduce the Unutilized Commitment. The Bank shall execute and deliver a Notice of Decrease in Unutilized Commitment to the Corporation and the County within five (5) days following its receipt of such request from the Corporation and the County, and the Unutilized Commitment shall be decreased on the date of and to the amount set forth in such Notice of Decrease in Unutilized Commitment. Notwithstanding any such reduction, so long as any obligations owing hereunder remain unpaid, this Agreement shall remain in full force and effect.

(d) *Reduction in Stated Amount.* The Corporation and the County may elect to reduce the Stated Amount of the Letter of Credit from time to time prior to the Letter of Credit Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice in the form attached to the Letter of Credit as Annex F, thereby reducing the Stated Amount, all as set forth in the Letter of Credit. Upon such reduction, the Stated Amount of the Letter of Credit shall not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

Section 2.12. Evidence of Debt; Revolving Note. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Corporation resulting from each drawing under the Letter of Credit and from each Advance and Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations of the Corporation therein recorded. To evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, the Corporation will issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity

schedule therefor pursuant to Sections 2.5 and 2.6 respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of the Revolving Note.

Section 2.13. Obligations Absolute. The obligations of the Corporation under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms thereof, under all circumstances whatsoever, including without limitation the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment to, waiver of or consent to departure from any provision of, this Agreement or any of the Related Documents;
- (c) the existence of any claim, set-off, defense or other right which the Corporation or the County may have at any time against the Trustee, the Issuing and Paying Agent, the Dealer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement), any beneficiary or any transferee of the Letter of Credit (or any person or entity for whom any such beneficiary or any such transferee may be acting) or any other Person, whether in connection with this Agreement, any Related Document or any unrelated transaction;
- (d) any demand, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) any non-application or misapplication by the Issuing and Paying Agent of the proceeds of any drawing under the Letter of Credit;
- (f) payment by the Bank under the Letter of Credit to the person entitled thereto against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit [*provided* that such payment shall not have been the result of gross negligence or willful misconduct of the Bank; or
- (g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding the foregoing, the obligations of the Corporation under this Agreement are a special obligation of the Corporation payable solely from the Pledged Property. To the extent the County pays any obligation of the Corporation under this Agreement, such payment shall be deemed to be payment by the Corporation of such obligation.

Section 2.14. Termination; Acceptance of Alternate Credit Facility. Notwithstanding any provision of the Agreement or the Letter of Credit to the contrary, the Corporation nor the County shall terminate the Letter of Credit prior to the Letter of Credit Expiration Date except upon (i) the payment to the Bank of a termination fee in an amount equal to the Applicable Letter of Credit Fee (based upon a Stated Amount in an amount equal to that in effect on the Date of

Issuance) for two years, less the actual amount of Applicable Letter of Credit Fees the Corporation has previously paid to the Bank (the “*Termination Fee*”), (ii) the payment to the Bank of all fees, expenses and other amounts payable hereunder, (iii) the payment to the Bank of all principal and accrued interest owing on the Revolving Note, and (iv) providing the Bank notice of its intention to do so at least sixty (60) days prior to the date of such termination or replacement; *provided* that all payments to the Bank referred to in clauses (i), (ii) and (iii) above shall be made with immediately available funds. Notwithstanding any provisions of this Section 2.14 to the contrary, the Corporation may terminate or replace the Letter of Credit in accordance with the Trust Indenture at any time without paying the Termination Fee (i) if any two of the following (A), (B) or (C) shall have occurred: (A) if the Bank is then rated by Moody’s, the date on which Moody’s shall have lowered or withdrawn the short-term rating on the Bank below “*P-1*,” (B) if the Bank is then rated by S&P, the date on which S&P shall have lowered or withdrawn the short-term rating on the Bank below “*A-1*,” or (C) if the Bank is then rated by Fitch, the date on which Fitch shall have lowered or withdrawn the short-term rating on the Bank below “*F-1*,” or (ii) upon the repayment or refunding of the Notes with the proceeds of long-term bonds fixed to maturity.

Section 2.15. Pledge by the Corporation. (a) To provide security to the Bank for the payment by the Corporation of the Reimbursement Obligations and any and all amounts now or hereafter owing to the Bank under this Agreement and the Revolving Note, the Corporation has pledged to the Bank the Pledged Property pursuant to the Trust Agreement and as evidenced by the Assignment Agreement and all right, title and interest in all funds in the Issuing and Paying Agent Fund.

(b) The Corporation’s obligation to pay Reimbursement Obligations, including the Revolving Note, shall be a special obligation of the Corporation payable solely from the moneys pledged to the payment thereof pursuant to the Trust Agreement and this Agreement.

(c) The pledges made hereby are valid, binding and perfected from the time when they are made and property so pledged shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act, and the lien of such pledges shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No instrument by which such pledges are created nor any financing statement need be recorded or filed.

Section 2.16. Maximum Interest Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed any maximum interest rate payable by law for any period for which interest is payable, then (i) interest at such maximum interest rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such maximum interest rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such maximum interest rate, at which time the Corporation shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such maximum interest

rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. On the later of (i) the Termination Date and (ii) the date that all Reimbursement Obligations are payable hereunder, in consideration for any limitation of the rate of interest which may otherwise be payable hereunder, the Corporation shall pay or cause to be paid to the Bank a fee equal to the amount of all unpaid deferred Excess Interest (the "*Excess Interest Fee*"); *provided* that the Excess Interest Fee shall be payable as and to the extent that the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period exceeds the sum of all other Reimbursement Obligations remaining unpaid hereunder and the amount of interest accruing on the Notes during such Base Rental Period.

Section 2.17. Adjustment of Base Rental. (a) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, the County and the Corporation shall increase the amount of the Base Rental payable under the Sublease for the Property to the greater of (i) the Maximum Base Rental for the Property or (ii) the maximum fair rental value of the Property determined in accordance with subsection (b) below.

(b) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, unless the Sublease has terminated in accordance with its terms, the County and the Corporation agree, at the Bank's sole written request, from time to time (but not more than once in any twelve month period), to determine or cause to be determined, the fair rental value for one or more Components. Such determination shall be by any method that the Bank may reasonably request, subject to the reasonable approval of such method by the County, the Corporation and bond counsel, including a Class C appraisal and shall be at the sole expense of the County and the Corporation. In addition, the County and the Corporation agree to extend the term of (i) the Site Lease in accordance with Section 4 thereof and (ii) the Sublease in accordance with Section 2.2 thereof, if, on the stated expiration thereof, any amounts remain owing to the Bank hereunder or under any of the other Related Documents.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.1. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions precedent on or before the Date of Issuance in form and substance and in a manner satisfactory to the Bank:

(a) The Bank shall have received:

(i) Certified copies of the resolutions of the Corporation and the County approving this Agreement, the other Related Documents and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of the Corporation and the County, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

(ii) A certificate of the Corporation and the County stating the names and true signatures of the officers of the Corporation and the County authorized to sign this Agreement and the other documents to be delivered by the Corporation and the County hereunder.

(iii) Executed or conformed copies of each of the Related Documents in form and substance satisfactory to the Bank.

(iv) A letter addressed to the Bank from Note Counsel, entitling the Bank to rely on such firm's approving Note opinion addressed to the Corporation.

(v) Evidence that the rating assigned to the Notes by S&P is A-1+ and by Moody's is P-1.

(vi) The Revolving Note duly executed and delivered by the Corporation to the Bank.

(vii) A certificate of the County setting forth the annual fair rental value of each Component.

(viii) Certificates of the Corporation and the County stating that (A) on the Date of Issuance, no event has occurred and is continuing, or would result from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and that (B) on the Date of Issuance and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Corporation and the County contained herein or otherwise made in writing in

connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(ix) An opinion of the County Counsel, as counsel to the Corporation, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(x) An opinion of the County Counsel, as counsel to the County, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xi) Audited financial statements for the County for the two most recently available fiscal years and the most recent operating budget summaries for the County's General Fund for the current fiscal year.

(xii) Evidence of title insurance on the Components in the form of a CLTA leasehold policy (10-21-87) of title insurance insuring the Trustee and naming the Bank as an additional insured, in an amount not less than the Commitment, subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including such endorsements as may be reasonably required by the Bank, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(xiii) Evidence of the County's current hazard and rental interruption insurance for the Components, and such insurance shall be satisfactory to the Bank. The Bank shall also have received a certificate from the County stating that the County's current policies of insurance and any self-insurance or alternative risk management programs maintained by the County comply with the provisions of Section 4.3 of the Sublease and Sections 5.1(u) hereof. Any such commercial insurance policies shall name the Bank as loss payee and additional insured and shall be issued by insurers rated "A" or better by Best's or approved by the Bank.

(xiv) A copy of the investment policy of the County.

(xv) Certificates of the Trustee and the Issuing and Paying Agent evidencing the signatures and offices of officers of each executing the Related Documents and with respect to the Issuing and Paying Agent, authorized to draw on the Letter of Credit, and with respect to such other matters as the Bank may reasonably request, and an opinion of counsel to each of the Issuing and Paying Agent and the Trustee, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xvi) Such other documents, certificates, opinions, approvals and filings with respect to the Related Documents and this Agreement as the Bank may reasonably request.

(b) All other legal matters pertaining to the execution and delivery of this Agreement, the Related Documents and the issuance of the first installment of the Notes shall be reasonably satisfactory to the Bank and its counsel.

(c) The Corporation shall have made payment to the Bank of all amounts due on the Date of Issuance under Section 7.6 hereof.

Section 3.2. Conditions Precedent to Each Credit Event. As a condition precedent to the occurrence of each Credit Event hereunder, including the initial Credit Event, the following conditions shall be satisfied on the date of such Credit Event:

(a) no Event of Default shall have occurred and be continuing; and

(b) the representations and warranties made by the Corporation and the County in Article 4 hereof (other than in Sections 4.1(g) and 4.2(g) hereof) shall be true and correct in all material respects on and as of such date, as if made on and as of such date.

On the occurrence of each Credit Event, the Corporation shall be deemed to have represented and warranted that the foregoing conditions precedent have been satisfied.

Section 3.3. No-Issuance Notice; Final Drawing Notice. The Bank may deliver a notice to the Issuing and Paying Agent in the form of (i) Annex I to the Letter of Credit (a “*Final Drawing Notice*”) or (ii) Annex H to the Letter of Credit (a “*No-Issuance Notice*”) at any time that the Bank shall have determined that (i) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 have not been satisfied or (ii) an Event of Default shall have occurred and be continuing. Upon receipt of such notice, the Issuing and Paying Agent shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded. Any such notice received after 7:00 A.M., Los Angeles time, on any day on which Notes are being issued, shall be deemed to have been received on the next succeeding day. The Bank shall not incur any liability as a result of the Bank’s giving of any No-Issuance Notice or Final Drawing Notice that, in its good faith judgment, the Bank determines to be in accordance with this Section 3.3. Notwithstanding anything in this Section 3.3 which may be to the contrary, a No-Issuance Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final

Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the County, Corporation and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. County Representations and Warranties. The County represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The County is validly existing as a political subdivision of the State, duly organized and validly existing under the Constitution of the State with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the County of this Agreement and the other Related Documents to which it is a party are within the County's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with, any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the County or by which the County or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the County (other than pursuant to such enumerated documents). The County is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the County, any agreement relating thereto, or any other contract or agreement (including its charter) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the County that would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the County is a party each constitutes a valid, binding and enforceable agreement of the County, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its organizational documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated by the Related Documents, or any applicable judgment, decree, loan agreement, note,

resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the County, threatened against or affecting, the County before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the County hereby makes to the Bank the same representations and warranties made by the County as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the County Administrative Officer, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the County is a party, or (ii) the performance by the County of its obligations under this Agreement or the other Related Documents to which the County is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property; Sublease.* The County has good and marketable fee simple title to all of the Components, subject only to Permitted Encumbrances. The Sublease is in full force and effect. The County, as lessee under the Sublease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the County's obligations under the Sublease has been granted by the Corporation. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the County, as of the date this representation is made, that would have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of any of the Related Documents.

(l) *Financial Information.* The consolidated statement of financial position of the County as of June 30, 2009, as well as each CAFR of the County as of any more recent date, delivered to the Bank pursuant to this Agreement, fairly present the financial condition of the County as at such date and the results of the operations of the County for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, and since the date of such financial information, there has been no change in the business, financial condition, results of operations, or prospects of the County which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(m) *Legal Matters.* The County is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the County, non-compliance with which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Environmental Laws.* Except as otherwise disclosed to the Bank prior to the Date of Issuance and to the best knowledge of County after due inquiry, with respect to each of the Components, the County is in material compliance with all applicable Environmental Laws (except to the extent non-compliance would have no material adverse effect on the annual fair market rental value of any such Component) of which compliance includes, but is not limited to, the possession by the County of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. To its knowledge after due inquiry, the County has not received any written communication that alleges that the County is not in such compliance.

(o) *ERISA.* The County does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(p) *Regulations U and X.* The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(q) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(r) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(s) *Solvency.* The County is solvent.

Section 4.2. Corporation Representations and Warranties. The Corporation represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The Corporation is validly existing as a non-profit public benefit corporation under the laws of the State, including the State Constitution, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the Corporation of this Agreement, the Revolving Note and the other Related Documents to which it is a party are within the Corporation's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with (except as has previously been made), any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, articles of incorporation, bylaws, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the Corporation or by which the Corporation or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the Corporation (other than pursuant to such enumerated documents). The Corporation is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the Corporation, any agreement relating thereto, or any other contract or agreement (including its articles of incorporation and bylaws) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the Corporation that would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the Corporation is a party each constitutes a valid, binding and enforceable agreement of the Corporation, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its articles of incorporation or its bylaws or other similar documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the Corporation, threatened against or affecting, the Corporation before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The Corporation does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the Corporation hereby makes to the Bank the same representations and warranties made by the Corporation as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the Treasurer of the Corporation, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or

any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the Corporation is a party, or (ii) the performance by the Corporation of its obligations under this Agreement or the other Related Documents to which the Corporation is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property.* The Corporation has good and marketable leasehold title to all of the Components pursuant to the Site Lease. The Site Lease is in full force and effect. The Corporation, as lessee under the Site Lease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the Corporation’s obligations under the Site Lease has been granted by the County. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Site Lease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the Corporation that would have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(l) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *Legal Matters.* The Corporation is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the Corporation, non-compliance with which would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Pledged Property.* The Trust Agreement creates a valid security interest in the Pledged Property as security for the punctual payment and performance of the obligations of the Corporation under this Agreement and under the Revolving Note.

(o) *Regulations U and X.* The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would

violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(p) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(q) *ERISA.* The Corporation does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(r) *Solvency.* The Corporation is solvent.

ARTICLE V

COVENANTS

Section 5.1. Covenants. The Corporation and the County each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The County and the Corporation will prepare or cause to be prepared and deliver to the Bank the following:

(i) as promptly as available (and in any event within 240 days following the end of each Fiscal Year of the County), the complete Comprehensive Annual Financial Report (“*CAFR*”) of the County, certified as to the fairness of presentation and conformity with generally accepted accounting principles by a recognized firm of independent certified public accountants;

(ii) concurrently with the delivery of each *CAFR* pursuant to (a)(i) above, a certificate from a County Representative certifying that such County Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing and a certificate from a the Corporation Representative certifying that such the Corporation Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing;

(iii) within ninety (90) days of proposal or adoption (as the case may be) of the most recently proposed or adopted annual operating budget of the County (as the case may be) with respect to the County’s General Fund, written evidence delivered to the Bank no later than September 1 of each year that such annual operating budget with respect to the County’s General Fund includes therein as a separate line item all Minimum Required Rental Payments and Additional Payments due during such period, if not otherwise paid from capitalized interest funded by proceeds of the Notes; and

(iv) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the County or the Corporation, as the Bank may from time to time reasonably request.

All factual information hereinafter delivered by the Corporation or the County in writing to the Bank will be, to the knowledge of the authorized person delivering such information after reasonable inquiry, accurate and complete in all material respects on the date as of which such information is certified.

(b) *Amendments to Related Documents.* Without the prior written consent of the Bank, the Corporation and the County will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Related Document to which the Corporation or the County is a party that affects the rights, interests, security or remedies of the Bank hereunder.

(c) *Incorporation of Covenants by Reference.* The Corporation and the County each agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party, which provisions, as well as related defined terms contained herein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank.

(d) *Dealers; Issuing and Paying Agent.* The Corporation and the County will not, without the prior written consent of the Bank (which consent shall not be unreasonably withheld or delayed), appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent. The Corporation and the County shall at all times maintain one or more Dealers and an Issuing and Paying Agent under the Trust Agreement. The Corporation and the County shall cause the Dealers and the Issuing and Paying Agent to market, issue, and deliver, as applicable, Notes up to the Maximum Rate. If any Dealer fails to sell the Notes for sixty (60) consecutive days, then the Corporation and the County agree, at the written request of the Bank, to cause the applicable Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. Any dealer agreement with a successor Dealer shall provide that (a) such dealer may resign upon at least 60-days prior written notice to the County, Issuing and Paying Agent and the Bank and (b) such dealer shall use its best efforts to sell the Notes up to the Maximum Rate.

(e) *Outstanding Notes Plus All Interest to Accrue Thereon Not to Exceed Stated Amount; No Issuance after Receipt of No-Issuance Notice.* (i) The Corporation will instruct the Issuing and Paying Agent not to authenticate or deliver any Note if,

immediately after the authentication and delivery of, and receipt of payment for, such Note, the sum of (1) the face value of all discount Notes and (2) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof, would exceed the Stated Amount. (ii) The Corporation will not instruct the Issuing and Paying Agent to authenticate or deliver any Note if the Issuance and Paying Agent has received a No-Issuance Notice or Final Drawing Notice, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded.

(f) *Defaults.* The Corporation and the County will promptly (and in any event within ten Business Days after becoming aware thereof) notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and, to the extent a determination has been made, the action that the Corporation proposes to take with respect thereto.

(g) *Books, Records.* The Corporation and the County will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Corporation and the County, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances and accounts of the Corporation and the County with any representative or any other appropriate officer of the Corporation and the County or the Corporation's or the County's independent public accountants.

(h) *Other Obligations.* The Corporation and the County will each comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws, statutes and regulations binding upon it, noncompliance with which would materially adversely affect the Corporation's or the County's ability to perform its respective obligations under the Notes, this Agreement or any of the other Related Documents.

(i) *Litigation; Material Change.* The Corporation and the County shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could have a material adverse effect on (A) the ability of the Corporation or the County to perform their respective obligations hereunder or under the other Related Documents or (B) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(j) *Repayment of Drawings.* On and after the date of any drawing on the Letter of Credit, the Corporation will use its best efforts to cause the Dealer to sell Notes as soon as practicable and to use the proceeds of the sale of such Notes to repay such drawing.

(k) *Obligations under Related Documents.* The Corporation and the County shall take all actions as may be reasonably requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(l) *Replacement of Certain Entities.* The Corporation shall obtain the prior written consent of the Bank to the replacement of the Issuing and Paying Agent or the Dealer, which consent shall not be unreasonably withheld or delayed. The Corporation and the County shall provide the Bank with prior written notice of the replacement of any other entity that is a party to a Related Document.

(m) *Limitation on Voluntary Liens.* The Corporation and the County shall not create a pledge, lien or charge on any part of the Property or the Pledged Property, other than the lien in favor of holders of the Notes and the Bank; *provided, further,* that in no event shall any pledge, lien or charge on the Property or Pledged Property securing any swap termination or payments provided for pursuant to any Swap Contract be first in priority to the pledge, lien or charge on any part of the Property or the Pledged Property or any other obligation owed the Bank hereunder. The County and the Corporation covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other liens of whatever nature or character, which, in each case, might hamper the County in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.

(n) *County and the Corporation to Maintain Existence.* The Corporation agrees that it will maintain its existence as a California nonprofit public benefit corporation. The County agrees that it will maintain its existence as a political subdivision under its charter and the laws of the State.

(o) *Further Assurances.* The County and the Corporation will execute, acknowledge where appropriate, and deliver from time to time promptly at the request of the Bank all such instruments and documents as in the opinion of the Bank are reasonably necessary or desirable to carry out the intent and purposes of this Agreement.

(p) *No Impairment.* The County and the Corporation will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Related Document inconsistent with the rights and remedies of the Bank under this Agreement.

(q) *Lease Payments.* The County and the Corporation will not issue or authorize the issuance of any obligation payable from the Rental Payments (as defined in the Sublease) due under the Sublease other than the Notes and the Revolving Note.

(r) *References to the Bank.* The County and the Corporation will not refer to the Bank in any official statement, offering memorandum, or private placement memorandum or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

(s) *Title Insurance.* Title insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(t) *Maintenance of Insurance.* Insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(u) *Covenants and Legal Duties.* Subject to Section 3.1(g) of the Sublease, the County agrees to include all Minimum Required Rental Payments and Additional Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, and for all Minimum Supplemental Rental Payments, if any, subject to Section 3.5 of the Sublease. The covenants on the part of the County herein contained and in the Sublease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance, of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.

(v) *Use of Proceeds.* The proceeds of drawings made under the Letter of Credit will be expended solely to pay the principal of and interest on maturing Notes.

(w) *Ratings.* (i) The County shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by the County at Moody's or S&P in respect of its unenhanced General Obligation Debt. (ii) The County shall cause to be maintained at least one rating on its unenhanced General Obligation Debt by Moody's or S&P.

(x) *Voluntary Rent Abatement.* Except as required by law and the terms of the Sublease, the County shall not seek or assert a claim for abatement of rental payments under the Sublease.

(y) *Additional Rights.* In the event that the County shall enter into or otherwise consent to any credit agreement, reimbursement agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) pursuant to which a financial institution or financial institutions (each, a "*Lender*") undertakes to make loans or advances or extend credit or liquidity to the County and/or the Corporation as support for any commercial paper notes of the Corporation or the County (each, a "*Bank Agreement*"), which Bank Agreement (i) contains covenants that are more restrictive on the part of the County or the Corporation than those contained in this Agreement, (ii) contains events of default and/or

remedies that are more favorable to the Lender than those contained in this Agreement and/or (iii) provides that the Corporation or the County or any of the other parties thereto consent to the adjudication of any action, suit or proceeding arising under or relating to such Bank Agreement pursuant to judicial reference as provided in California Code of Civil Procedure Section 638 (collectively, the “*Additional Rights*”), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights. Upon entering into or consenting to any Bank Agreement, the County and the Corporation shall promptly enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Bank shall maintain the benefit of such Additional Rights even if the County and/or the Corporation fails to provide such amendment. If the County shall amend the Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Bank, this Agreement shall automatically no longer contain the Additional Rights and the Bank shall no longer have the benefits of any of the Additional Rights.

(z) *Immunity.* To the fullest extent permitted by law, each of the Corporation and the County agrees not to assert the defense of immunity (on the grounds of sovereignty or otherwise) in any proceeding by the Bank to enforce any of the obligations of the Corporation or the County under this Agreement or any other Related Document.

(aa) *ERISA.* The Corporation will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

(bb) *Alternate Letter of Credit.* The Corporation agrees to use its best efforts to obtain an Alternate Credit Facility for the Letter of Credit in the event that (i) the Bank decides not to extend the Letter of Credit Expiration Date (such replacement to occur on the then current Letter of Credit Expiration Date) or (ii) the Letter of Credit shall otherwise terminate in accordance with its terms.

(cc) *Swap Agreements.* The Corporation will use its best efforts to enter into all future Swap Contracts with counterparties rated “AA-” (or its equivalent) or better by at least one rating agency. In no event shall any swap counterparty with respect to any such Swap Contract be rated lower than “A” (or its equivalent) by at least one rating agency, without the prior written consent of the Bank, at the time of entering into such Swap Contract.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.1. Events of Default. The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) The Corporation or the County shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder, subject to the proviso in

Section 2.6(c) hereof, or (ii) any other Obligation as and when due hereunder and the continuance of such failure for a period of 30 days after written notice thereof;

(b) The Corporation or the County shall default in the performance of any of the covenants set forth in Section 5.1(b), (d), (h) (m), (n), (q), (s), (t), (u), (v), (w) (ii) or (cc) hereof;

(c) The Corporation or the County shall default in the performance of any other material term, covenant or agreement set forth herein and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the County, as applicable, by the Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the County (or incorporated by reference) in this Agreement or by the Corporation or the County in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The County shall (A) fail to make any payment on any Material County Debt (other than the Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material County Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material County Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material County Debt; or (C) any Material County Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material County Debt;

(f) The Corporation or the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the County under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the County, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of this Agreement or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the County, or the Corporation or the County shall contest the validity or enforceability thereof;

(i) Any pledge or security interest created hereunder or under the Trust Agreement to secure any amounts due under this Agreement shall fail to be valid or fully enforceable;

(j) An event of default shall occur under any of the Related Documents (other than this Agreement) or the County shall fail to make any payment under the Sublease when and as due;

(k) The long-term unenhanced rating by Moody's or S&P on any General Obligation Debt of the County shall be withdrawn, suspended or otherwise unavailable for credit related reasons or reduced below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively;

(l) One or more final, nonappealable judgments or orders for the payment of money in the aggregate amount of \$50,000,000 or more shall be rendered against the County and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; or

(m) Any "Event of Default" as defined in any of the Other Reimbursement Agreements shall have occurred.

Section 6.2. Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) issue a No-Issuance Notice, (ii) reduce the Unutilized Commitment to zero (0), (iii) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent), (iv) declare the Revolving Note, in whole or in part, all or some Principal Advances and Term

Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance hereunder due and payable in the manner set forth in and subject to Section 2.6 hereof, or (v) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 6.1(f) or (g), the remedies described in clauses (ii) and (iv) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described on clauses (i) and (iii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article 2 hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Reimbursement Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each drawing under the Letter of Credit following the occurrence of an Event of Default. Notwithstanding the foregoing, the occurrence of an Event of Default shall not affect the Bank's obligations under the Letter of Credit with respect to Notes that are outstanding at the time of the occurrence of such Event of Default, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes that are outstanding at the time of the occurrence of such Event of Default.

Nothing contained in Section 6.2 shall result in, or be construed to require, an acceleration of Base Rental under the Sublease and nothing contained in this Section 6.2 is intended to abrogate abatement of Base Rental made in accordance with the terms of the Sublease. Nothing contain in Section 6.2 shall abrogate the obligation of the Bank to honor properly presented and conforming Drawings under the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Amendments and Waivers. No amendment, change, discharge or waiver of any provision of this Agreement, nor consent to any departure by the Corporation or the County therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County, as the case may be, to any other or further notice or demand in the same, similar or other circumstances.

Section 7.2. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

| | |
|------------------------|---|
| If to the Corporation: | Los Angeles County Capital Asset Leasing Corporation 500 West Temple Street, Room 437 Los Angeles, California 90012 Attention: Treasurer and Tax Collector Facsimile: (213) 625-2249 Telephone: (213) 974-7175 |
|------------------------|---|

if to the County: County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the Bank: Union Bank, N.A.
445 South Figueroa Street
Mail Code: G08-268
Los Angeles, California 90071
Attention: Public Finance Group
Facsimile: (213) 236-6917
Telephone: (213) 236-6435

if to the Issuing
and Paying Agent: **[INSERT]**
Attention:
Telephone:
Facsimile:

if to the Trustee: **[INSERT]**
Attention: _____
Telephone: _____
Facsimile: _____

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Bank pursuant to the provisions of Article II shall not be effective until received by the Bank.

Section 7.3. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.4. Indemnification. (a) To the extent permitted by law, the Corporation and the County hereby indemnify and hold the Bank and its directors, officers, employees and agents (the "Indemnified Parties") harmless from and against any and all claims, damages, losses, liabilities, costs or expenses which such Indemnified Parties may incur or which may be claimed against such Indemnified Parties by any person by reason of or in connection with (i) the

offering, sale, remarketing or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents or in any supplement or amendment to the Offering Memorandum or any similar disclosure document (other than in connection with a description of the Bank), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading (other than in connection with a description of the Bank; (ii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iii) the issuance of the Letter of Credit or the use of any proceeds of the Letter of Credit; (iv) the execution, delivery and performance of this Agreement, or the making or the failure to honor a properly presented and conforming drawing under the Letter of Credit; or (v) any Property; *provided, however*, neither the Corporation, nor the County, shall be required to indemnify an Indemnified Party pursuant to this Section 7.4(a) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank.

(b) To the extent not prohibited by applicable law, the Corporation and the County agree to indemnify and hold the Bank harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Notes and the other Related Documents, or any amendment thereto.

Section 7.5. Liability of the Bank. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for (i) the use which may be made of the proceeds of any Notes or any drawings under the Letter of Credit, (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon (other than the validity as against the Bank of any agreement to which the Bank is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iii) the lack of validity or enforceability of this Agreement, the Notes, any other Related Document or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), (iv) payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any drawings under the Letter of Credit, (vi) errors in interpretation of technical terms, (vii) any consequences arising from causes beyond the control of the Bank, including, without limitation, any acts of governmental entities, or (viii) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; *provided*, that the Corporation and the County shall have claims against the Bank, and the Bank shall be liable to the Corporation and the County to the extent of any direct, as opposed to consequential, damages suffered by the Corporation or the County which the Corporation and the County prove were caused by the Bank's willful misconduct or gross negligence. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

Section 7.6. Expenses; Documentary Taxes. The Corporation shall pay or cause to be paid (a) fees and document production costs and disbursements of Chapman and Cutler LLP, special counsel for the Bank, in connection with the preparation of this Agreement and the Letter of Credit, (b) all reasonable out-of-pocket travel and other expenses incurred by the Bank in connection with this Agreement and the Letter of Credit, (c) all reasonable out-of-pocket expenses of the Bank, including fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel, in connection with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement or any Related Document. The Corporation shall reimburse the Bank for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution a delivery of this Agreement or any Related Document or the acquisition or disposition by the Bank of the Revolving Note pursuant to this Agreement.

Section 7.7. Binding Effect. (a) This Agreement shall become effective when it shall have been executed by the Corporation, the County and the Bank and thereafter shall be binding upon and inure to the benefit of the Corporation, the County and the Bank and their respective successors and assigns, except that the Corporation and the County shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank.

(b) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of the Letter of Credit and the obligations of the Corporation and the County hereunder and under the other Related Documents to any Participant Bank without the consent of the Corporation or the County, *provided* that no such action by the Bank shall relieve the Bank of its obligations under the Letter of Credit. The Bank may disclose to any Participant Bank or prospective Participant Bank any information or other data or material in the Bank's possession relating to this Agreement, any other Related Document, the Corporation, the County and the Property, without the consent of the Corporation or the County, *provided* that if required by the Corporation or the County, the Participant Bank or prospective Participant Bank shall certify to the Corporation and/or the County, as the case may be, that the information provided by the Bank is being used solely to assist the Participant Bank or prospective Participant Bank in evaluating its position as a Participant Bank in the Letter of Credit. No Participant Bank shall be entitled to receive any greater payment under Section 2.8 hereof than the Bank would have been entitled to receive with respect to the rights and obligations hereunder transferred. Notwithstanding any participation granted by the Bank pursuant hereto, the Corporation and the County shall continue to deal solely and exclusively with the Bank in connection with the respective rights and obligations of the Corporation, the County and the Bank hereunder and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Bank hereunder and the Bank will continue to serve as the only contact for the Corporation and the County for all matters relating to this Agreement.

Section 7.8. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the

remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.9. Approvals. The Bank hereby approves with respect to the Notes, Deutsche Bank National Trust Company as Issuing and Paying Agent, and _____, as Dealers.

Section 7.10. Governing Law and Jurisdiction. (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 7.2 hereof.

(c) To the extent permitted by law, each of the Corporation, the County and the Bank irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Corporation's, the County's or the Bank's performance of its obligations under this Agreement or any other Related Document.

(d) The waivers made pursuant to this Section 7.10 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Section 7.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 7.12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.13. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

By: _____
Title: Authorized Officer

Date: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Title: Authorized Officer

Date: _____

(SEAL)

ATTEST:

By: _____
Assistant Secretary
Los Angeles County Capital Asset
Leasing Corporation

UNION BANK, N.A., as the Bank

By: _____
Name: _____
Title: _____

EXHIBIT A
[FORM OF LETTER OF CREDIT]
IRREVOCABLE LETTER OF CREDIT NO. _____

April __, 2010
U.S. \$75,000,000
No. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]

Attention: _____

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Los Angeles County Capital Asset Leasing Corporation (the "*Corporation*"), and County of Los Angeles (the "*County*"), in your favor, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") with respect to the Corporation's Commercial Paper Notes issued pursuant to the Amended and Restated Trust Agreement dated April 26, 2010 (the "*Trust Agreement*"), by and among the Corporation, the County and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), as it is from time to time amended, supplemented, waived and modified in accordance therein, pursuant to which up to \$400,000,000 in aggregate principal amount of the Corporation's Lease Revenue Commercial Paper Notes in the form of Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*") or Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*" and together with the Tax-Exempt Notes, collectively referred to herein as the "*Notes*"), are being issued, our Irrevocable Letter of Credit No. _____ in the initial maximum available amount of SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) as reduced, reinstated, increased and decreased from time to time (the "*Stated Amount*"), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Notes, effective on the date hereof and expiring at 1:00 p.m., Los Angeles time at our office in _____, California set forth below on _____, 2013, except as extended pursuant to a notice from us to you in the form attached hereto as Annex G (the "*Letter of Credit Expiration Date*") or terminated earlier as hereafter provided; *provided, however*, that if such date is not a Business Day, the Letter of Credit Expiration Date shall be the next preceding Business Day. The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Corporation. This Letter of Credit is being issued pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County and the Bank. Capitalized

terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, (a) in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California, Illinois or New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit (a "*Business Day*"), by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Notes issued in accordance with the Indenture), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of and interest to maturity on Notes issued in accordance with the Indenture and that otherwise matures on or after the date that you receive notice from us in the form of Annex G hereto (the "*Final Drawing Notice*")), attached hereto (any such certificate being a "*Drawing*"), in each case an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only when and to the extent (i) of transfer by you to us on the date such Drawing is honored of proceeds of new Notes issued on such date or other funds furnished by or on behalf of the Corporation to us for such purpose, in either case in an aggregate amount equal to the amount of such Drawing, or upon written notice from us to you that we have been reimbursed by or on behalf of the Corporation for any amount drawn hereunder by any Drawing and (ii) you have not received from us a No-Issuance Notice in the form attached hereto as Annex H.

The Stated Amount of this Letter of Credit shall also be increased from time to time on each Increase Date specified in, and in the amounts set forth, in a notice from us to you in the form attached hereto as Annex E.

The Stated Amount of this Letter of Credit shall also be reduced from time to time on each Decrease Date specified in, and in the amounts set forth in, a notice from us to you in the form attached hereto as Annex F (each, a "*Decrease Notice*"). As of the applicable Decrease Date and upon such reduction, the Stated Amount shall not be less than your certification in the applicable Decrease Notice of the sum of the face value of all discount Notes and the principal amount of all outstanding non-discount Notes plus an amount (the "*Interest Coverage Amount*") equal to the sum of the products of the principal amount of each non-discount Note supported by

this Letter of Credit times the interest rate per annum borne by such non-discount Note, divided by 365, times the number of days from the date of issuance of such non-discount Note to and including the maturity date of such non-discount Note.

Each Drawing shall be dated the date of its presentation, and shall be presented by facsimile (at facsimile number () ___-___ or alternatively () ___-___), Attention: _____, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing shall be immediately confirmed by telephone (telephone number: () ___-___ or alternatively to () ___-___), notifying us of such Drawing; *provided*, that, the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than **[7:00 A.M., Los Angeles]** time on a Business Day prior to the termination hereof, we will honor the same by **[11:00 A.M.]**, Los Angeles time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of the Letter of Credit, after **[7:00 A.M., Los Angeles]** time on a Business Day prior to the termination hereof, we will honor the same by **[11:00 A.M., Los Angeles]** time on the next succeeding Business Day in accordance with your payment instructions.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the related Drawing. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent.

This Letter of Credit shall expire at 1:00 p.m., Los Angeles time, on the date (the earliest of such date to occur referred to herein as the "*Termination Date*") which is the earliest of (i) Letter of Credit Expiration Date, (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that an Alternate Credit Facility has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility, (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (a) the 15th calendar day after the date on which you receive the Final Drawing Notice, and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee together with the original Letter of Credit.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the Drawings referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will notify the Issuing and Paying Agent thereof within the time set forth above for honor of such demand for payment, such notice to be confirmed in writing to the Issuing and Paying Agent within one Business Day, and we shall return all documents to you.

Communications with respect to this Letter of Credit shall be addressed to us at _____, Attention: _____, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by us. For telephone assistance, please contact the _____ at 1 _____, and have the Letter of Credit number available.

Communications with respect to this Letter of Credit shall be addressed to you at [_____] , Attention: [_____] , specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

Very truly yours,

UNION BANK, N.A.

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES

ANNEX A-1

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE FOR DRAWING]
CERTIFICATE FOR DRAWING IN CONNECTION
WITH THE PAYMENT OF PRINCIPAL AND INTEREST
IRREVOCABLE LETTER OF CREDIT NO. _____

Union Bank, N.A.

Attention: _____

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.

2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Notes, which payment is due on _____.

3. The amount of the Drawing is equal to \$ _____, with \$ _____ being drawn in respect of the payment of principal of maturing Notes and \$ _____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on maturing Notes does not exceed the Stated Amount of the Letter of Credit. The amount payable by the Bank with respect to this Drawing is \$ _____.

4. Each such Note was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement and shall apply the same directly to the payment when due of the principal amount of the Notes and the interest amount owing on account of the Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

6. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES**

**ANNEX A-2
TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____**

**CERTIFICATE FOR DRAWING IN CONNECTION WITH THE
PAYMENT OF PRINCIPAL AND INTEREST AFTER FINAL DRAWING NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____**

Union Bank, N.A.

Attention: _____

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Indenture and is acting as the agent for the holders of the Notes.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Notes issued in accordance with the Indenture but which matures on or after the date of a Final Drawing Notice.
4. The amount of the Drawing is equal to \$_____, with \$_____ being drawn in respect of the payment of principal of maturing Notes and \$_____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Indenture. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, the Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.
5. The Notes were authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Indenture.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Indenture and the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Notes and the interest amount owing on account of the Notes pursuant to the Indenture, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes has been presented for payment and paid by us, we will cancel such matured Notes.

7. This Certificate is being presented to the Bank on a date which is no later than the 15th calendar day after receipt by the Issuing and Paying Agent of the Final Drawing Notice.

8. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX B

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

REQUEST FOR TRANSFER

Date: _____

Union Bank, N.A.

Attention: _____

Re: Union Bank, N.A. Irrevocable Letter of Credit No. _____ dated
_____, 2010

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee)

"Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Payment of transfer fee of U.S. \$___ is for the account of the Corporation and the County, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX C

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: ALTERNATE CREDIT FACILITY]
CERTIFICATE RE: ALTERNATE CREDIT FACILITY
IRREVOCABLE LETTER OF CREDIT NO. _____

Union Bank, N.A.

Attention: _____

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. The conditions precedent to the acceptance of an Alternate Credit Facility set forth in the Trust Agreement have been satisfied.
3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX D

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____
[FORM OF CERTIFICATE RE: NO OUTSTANDING NOTES]
CERTIFICATE RE: NO OUTSTANDING NOTES
IRREVOCABLE LETTER OF CREDIT NO. _____

Union Bank, N.A.

Attention: _____

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. No Notes (other than Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does the Corporation intend to issue any additional Notes under the Trust Agreement.
3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.
4. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX E

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: INCREASE IN STATED AMOUNT]
CERTIFICATE RE: INCREASE IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatories of Union Bank, N.A. (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, that pursuant to Section 2.10(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement", to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Los Angeles County Capital Asset Leasing Corporation (the "Corporation"), the County of Los Angeles (the "County") and the Bank, the Bank has approved an increase in the Stated Amount of the Letter of Credit, in the amount of \$_____, effective as of _____ (the "Increase Date"). The new Stated Amount of the Letter of Credit is \$_____. You are hereby authorized to attach this Notice of Increase in Stated Amount to the Letter of Credit and to treat this Notice of Increase in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

UNION BANK, N.A., as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by
Deutsche Bank National Trust Company, as
Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX F

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: REDUCTION IN STATED AMOUNT]
CERTIFICATE RE: REDUCTION IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of Union Bank, N.A. (the "*Bank*"), hereby certify to Deutsche Bank National Trust Company (the "*Issuing and Paying Agent*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, that pursuant to Section 2.10(d) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, that the Stated Amount of the Letter of Credit shall be decreased in the amount of \$_____, effective as of _____ (the "*Decrease Date*"). The new Stated Amount of the Letter of Credit is \$_____. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

UNION BANK, N.A., as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by
Deutsche Bank National Trust Company, as
Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX G

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]
NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of Union Bank, N.A. (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement"), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, the Letter of Credit Expiration Date of the Letter of Credit has been extended to _____.

2. This letter should be attached to the Letter of Credit and made a part thereof.

3. The Corporation and the County's acknowledgment hereof shall be deemed to be the certification by the Corporation and the County that all of its representations and warranties contained in Article IV of the Reimbursement Agreement are true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the day of _____, _____.

UNION BANK, N.A., as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX H

TO
UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NO-ISSUANCE NOTICE]
NO-ISSUANCE NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatories of Union Bank, N.A. (the “*Bank*”), hereby certify to Deutsche Bank National Trust Company (the “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the “*Reimbursement Agreement*”), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, *[insert one of the following phrases]* [the conditions precedent to the occurrence of a Credit Event (as defined in the Reimbursement Agreement) set forth in Section 3.2 of the Reimbursement Agreement have not been satisfied] [an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing].
2. Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 9:00 A.M., Los Angeles time, on a Business Day you shall cease authenticating Notes on the next Business Day.
3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

UNION BANK, N.A., as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX G

TO

UNION BANK, N.A. IRREVOCABLE
LETTER OF CREDIT NO. _____

CERTIFICATE RE: FINAL DRAWING
IRREVOCABLE LETTER OF CREDIT NO. _____

Attention: _____

Reference is made to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Issuing and Paying Agent.

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Notice, to cease issuing Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Notes issued in accordance with the Indenture which is outstanding and is maturing or is hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

UNION BANK, N.A., as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, _____ by
_____, as Issuing and Paying Agent

By _____

Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

EXHIBIT B

**[FORM OF REVOLVING NOTE]
REVOLVING NOTE**

\$75,000,000

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the "*Corporation*"), for value received, hereby promises to pay to UNION BANK, N.A. (the "*Bank*"), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank in Los Angeles, California, the sum of \$75,000,000 or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the "*Grid*") on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. The Corporation hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.5 and 2.6 of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Note, and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Corporation recorded therein.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County of Los Angeles California and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its due date accelerated.

The Corporation hereby agrees to pay or cause to be paid all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of the Corporation duly adopted.

The Corporation hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of _____, 2010.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title: Authorized Officer

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

REVOLVING NOTE GRID

**DRAWINGS, ADVANCES AND TERM LOANS
AND PAYMENTS OF PRINCIPAL AND INTEREST**

| Date | Drawing, Advance or Term Loan | Amount of Drawing, Advance or Term Loan | Principal Amount of Advances or Term Loans Repaid | Amount of Interest on Advances or Term Loans Repaid | Aggregate Advance Balance | Notation Made By |
|------|-------------------------------------|--|---|---|---------------------------------|---------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

EXHIBIT C

[FORM OF REQUEST FOR INCREASE IN STATED AMOUNT]

REQUEST FOR INCREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation (“*Corporation*”) and the County of Los Angeles (the “*County*”), hereby certify to Union Bank, N.A. (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), by and among the Corporation, the County and the Bank, the Corporation and the County hereby request an increase in the Stated Amount of the Letter of Credit, in the amount of \$ _____.
2. The amount of the increase in the Stated Amount set forth in Paragraph 1 above does not exceed the Unutilized Commitment.
3. Once so increased, the Stated Amount of the Letter of Credit shall equal \$ _____. The sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof, will not exceed the new Stated Amount of the Letter of Credit.
4. The Commitment Expiration Date has not occurred.
5. The Increase Date for which such increase is requested is _____, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Increase in Stated Amount.
6. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Sections 4.1(g) and 4.2(g) thereof) are true and correct and will be true and correct as of the Increase Date as if made on and as of the Increase Date and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the Increase Date or will occur as a result of the increase in the Stated Amount of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of
the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT D

[FORM OF REQUEST FOR DECREASE IN STATED AMOUNT]

REQUEST FOR DECREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation ("*Corporation*") and the County of Los Angeles (the "*County*"), hereby certify to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(d) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby elect to reduce the Stated Amount of the Letter of Credit in the amount of \$_____, effective as of _____ (the "*Decrease Date*").

2. The Decrease Date for which such decrease is requested is _____, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$_____. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT E

[FORM OF NOTICE OF DECREASE IN UNUTILIZED COMMITMENT]

NOTICE OF DECREASE IN UNUTILIZED COMMITMENT

The undersigned, duly authorized signatories of Union Bank, N.A. (the “*Bank*”), hereby certify to Deutsche Bank National Trust Company (the “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(c) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Unutilized Commitment shall be decreased in the amount of \$_____, effective as of _____. Upon such reduction, the new Unutilized Commitment is \$_____. You are hereby authorized to attach this Notice of Decrease in Unutilized Commitment to the Reimbursement Agreement and to treat this Notice of Decrease in Unutilized Commitment as an amendment to the Reimbursement Agreement.

2. The Corporation’s and the County’s acknowledgment hereof shall be deemed to be the Corporation’s and the County’s representation and warranty that notwithstanding any such reduction, so long as any obligations owing under the Reimbursement Agreement remain unpaid, the Reimbursement Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

UNION BANK, N.A., as the Bank

By: _____
Name:
Title:

By: _____
Name:
Title:

Acknowledged as of _____, ____ by

MUNICIPAL IMPROVEMENT CORPORATION OF
LOS ANGELES

By: _____

Title: _____

Acknowledged as of _____, ____ by

COUNTY OF LOS ANGELES

By: _____

Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT F

[FORM OF REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]

REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation (“*Corporation*”) and the County of Los Angeles (the “*County*”), hereby certify to Union Bank, N.A. (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(a) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby request an extension of the Letter of Credit Expiration Date to _____.

2. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Section 4.1(g) and 4.2(g) thereof) are true and correct and will be true and correct as of the date of this Certificate as if made on and as of the date hereof and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the date hereof or will occur as a result of the extension of the Letter of Credit Expiration Date of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

EXHIBIT A-4

**PROPOSED FORM OF WELLS FARGO LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT**

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of April 1, 2010

among

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
COUNTY OF LOS ANGELES, CALIFORNIA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

relating to

\$75,000,000 aggregate principal amount of
Los Angeles County Capital Asset Leasing Corporation
Lease Revenue Commercial Paper Notes

TABLE OF CONTENTS

| SECTION | HEADING | PAGE |
|---------------|---|------|
| ARTICLE I | DEFINITIONS | 1 |
| Section 1.1. | Certain Defined Terms..... | 1 |
| Section 1.2. | Computation of Time Periods..... | 9 |
| Section 1.3. | Accounting Terms..... | 9 |
| Section 1.4. | Terms Defined in Trust Agreement | 10 |
| Section 1.5. | Construction..... | 10 |
| ARTICLE II | AMOUNT AND TERMS OF THE LETTER OF CREDIT | 10 |
| Section 2.1. | The Letter of Credit | 10 |
| Section 2.2. | Issuance of the Letter of Credit..... | 10 |
| Section 2.3. | Letter of Credit Fees | 10 |
| Section 2.4. | Payment of Amounts Drawn on Letter of Credit..... | 11 |
| Section 2.5. | Principal Advances | 11 |
| Section 2.6. | Conversion of Principal Advances to Term Loans; Term Loans; Default Advances | 11 |
| Section 2.7. | Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts..... | 12 |
| Section 2.8. | Increased Costs; Capital Adequacy | 13 |
| Section 2.9. | Net of Taxes, Etc..... | 15 |
| Section 2.10. | Payments and Computations..... | 16 |
| Section 2.11. | Extension of Letter of Credit Expiration Date; Reduction in Stated Amount | 17 |
| Section 2.12. | Evidence of Debt; Revolving Note | 18 |
| Section 2.13. | Obligations Absolute | 18 |
| Section 2.14. | Termination; Acceptance of Alternate Credit Facility..... | 19 |
| Section 2.15. | Pledge by the Corporation | 19 |
| Section 2.15. | Maximum Interest Rate; Payment of Fee | 20 |
| Section 2.16. | Adjustment of Base Rental | 20 |
| ARTICLE III | CONDITIONS OF ISSUANCE | 21 |
| Section 3.1. | Conditions Precedent to Issuance of the Letter of Credit | 21 |
| Section 3.2. | Conditions Precedent to Each Credit Event..... | 23 |
| Section 3.3. | No-Issuance Notice; Final Drawing Notice..... | 23 |
| ARTICLE IV | REPRESENTATIONS AND WARRANTIES..... | 24 |
| Section 4.1. | County Representations and Warranties..... | 24 |
| Section 4.2. | Corporation Representations and Warranties | 27 |
| ARTICLE V | COVENANTS..... | 30 |
| Section 5.1. | Covenants..... | 30 |

| | | |
|---------------|---|----|
| ARTICLE VI | EVENTS OF DEFAULT | 36 |
| Section 6.1. | Events of Default | 36 |
| Section 6.2. | Upon an Event of Default | 38 |
| ARTICLE VII | MISCELLANEOUS | 38 |
| Section 7.1. | Amendments and Waivers | 38 |
| Section 7.2. | Notices | 39 |
| Section 7.3. | No Waiver; Remedies | 39 |
| Section 7.4. | Indemnification | 40 |
| Section 7.5. | Liability of the Bank | 40 |
| Section 7.6. | Expenses; Documentary Taxes | 41 |
| Section 7.7. | Binding Effect | 41 |
| Section 7.8. | Severability | 42 |
| Section 7.9. | Approvals | 42 |
| Section 7.10. | Governing Law and Jurisdiction | 42 |
| Section 7.11. | Headings | 42 |
| Section 7.12. | Counterparts | 42 |
| Section 7.13. | Integration | 42 |
| EXHIBIT A | – Form of Letter of Credit | |
| EXHIBIT B | – Form of Revolving Note | |
| EXHIBIT C | – Form of Request for Extension | |
| EXHIBIT D | – Form of Request for Decrease in Stated Amount | |

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of April 1, 2010, among the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the “*Corporation*”), the COUNTY OF LOS ANGELES, CALIFORNIA (the “*County*”) and WELLS FARGO BANK, NATIONAL ASSOCIATION (together with its successors and assigns, the “*Bank*”).

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated April 26, 2010, by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “*Trustee*”) as it is from time to time amended, supplemented, waived and modified in accordance therewith and with Section 5.1(b) hereof (collectively, the “*Trust Agreement*”), may from time to time issue up to \$75,000,000 in aggregate principal amount outstanding at any time of its Lease Revenue Commercial Paper Notes (the “*Notes*” and each, a “*Note*”);

WHEREAS, the Trust Agreement provides, as a condition precedent to the issuance of the Notes, for delivery to the Issuing and Paying Agent (as defined in the Trust Agreement) of a letter of credit with respect to the Notes; and

WHEREAS, the Bank has agreed to issue its letter of credit pursuant to this Agreement;

NOW THEREFORE, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. The following terms, as used herein, have the following meanings:

“*Advance*” means any Principal Advance or Default Advance.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” has the meaning set forth in the Trust Agreement.

“*Amortization Period*” has the meaning set forth in Section 2.6(b).

“*Applicable Letter of Credit Fee*” means, as of any date, the percentage per annum set forth below opposite the rating level (or, in the event of split ratings, the lowest rating level) applicable on such date to the County’s unenhanced General Obligation Debt:

| | RATINGS OF COUNTY'S UNENHANCED GENERAL OBLIGATION DEBT (S&P/MOODY'S) | APPLICABLE LETTER OF CREDIT FEE |
|---------|--|------------------------------------|
| Level 1 | A+/A1 or higher | 1.25% |
| Level 2 | A/A2 | 1.40% |
| Level 3 | A-/A3 | 1.55% |
| Level 4 | BBB+/Baa1 | 1.70% |
| Level 5 | BBB/Baa1 | 1.85% |
| Level 6 | BBB-/Baa3 | 2.00% |

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by S&P or Moody’s to any unenhanced General Obligation Debt of the County (without giving effect to any bond insurance policy or other credit enhancement securing such General Obligation Debt). In the event of a split Rating (i.e. one of the foregoing Rating Agency’s Rating is at a different level than the Rating of either of the other Rating Agencies), the Applicable Letter of Credit Fee shall be based upon the level in which the lowest rating appears. Any change in the Applicable Letter of Credit Fee resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Corporation and County acknowledge, and the Bank agrees, that as of the Closing Date the Applicable Letter of Credit Fee is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default, the Applicable Letter of Credit Fee shall be increased by an additional one and one-half of one percent (1.50%) from the rate then in effect upon the occurrence of such Event of Default. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Applicable Letter of Credit Fees from the date payment is due until payment in full at the Default Rate.

“*BANA Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Bank of America, N.A.

“*Bank*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Base Rate*” means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus two percent (2.0%), (b) the Prime Rate plus one and one-half of one percent (1.50%) and (c) seven and one-half of one percent (7.50%).

“*Base Rental*” has the meaning set forth in the Trust Agreement.

“*Base Rental Period*” has the meaning set forth in the Sublease.

“*Business Day*” means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the Corporation and state in which demands for payment may be presented under the Letter of Credit.

“*CAFR*” has the meaning set forth in Section 5.1(a)(i).

“*Component*” has the meaning set forth in the Sublease.

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation, or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Corporation*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Corporation Representative*” has the meaning set forth in the Trust Agreement.

“*County*” means the County of Los Angeles, California, and its successors and assigns.

“*County Representative*” has the meaning set forth in the Trust Agreement.

“*Credit Event*” means any one of the following: the issuance of the Letter of Credit; the making of any Principal Advance; or the conversion of a Principal Advance to a Term Loan.

“*Date of Issuance*” means the date on which the conditions precedent set forth in Section 3.1 of this Agreement are met or waived by the Bank and the Letter of Credit is issued.

“*Dealer*” means, with respect to the Notes, each and every Dealer appointed by the Corporation pursuant to a Dealer Agreement, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Notes appointed by the Corporation.

“*Dealer Agreement*” means, collectively, each Commercial Paper Dealer Agreement, by and among the Corporation, the County and one of _____, _____, and _____, respectively, as a Dealer, providing for the acceptance by such Dealer of the duties and obligations imposed thereby and imposing certain other duties and obligations, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; (i) all Contingent Obligations of such Person; and (j) obligation of such Person due and payable under Swap Contracts; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business; and *provided, further*, however that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the General Fund of the County.

“*Decrease Date*” means each Decrease Date set forth in a Notice of Decrease in Stated Amount.

“*Default*” means an event that with the giving of notice or passage of time, or both, shall constitute an Event of Default.

“*Default Advance*” or “*Default Advances*” each has the meaning assigned that term in Section 2.6(c).

“*Default Rate*” means, on any particular date, a rate of interest per annum equal to three percent (3.0%) per annum in excess of the Base Rate in effect on such date.

“*Drawing*” has the meaning assigned to that term in the Letter of Credit.

“*Effective Date*” means April __, 2010.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“ERISA” - means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“Event of Default” has the meaning assigned that term in Section 6.1.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Final Drawing Notice” has the meaning set forth in the Letter of Credit.

“Fiscal Year” means the twelve-month period commencing on July 1 of each year; *provided, however*, that the County may, from time to time, agree on a different twelve-month period as the Fiscal Year.

“General Obligation Debt” means any Debt of the County, the payment of which is secured by the full faith and credit of the County.

“Initial Letter of Credit Expiration Date” means _____, 2013.

“Issuing and Paying Agent Agreement” means the Amended and Restated Issuing and Paying Agent Agreement, dated April 26, 2010, between the Corporation and Deutsche Bank National Trust Company, as Issuing and Paying Agent for the Notes, providing for the acceptance by such Issuing and Paying Agent of the duties and obligations imposed thereby and imposing certain other duties and obligations, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

“Issuing and Paying Agent” means the Issuing and Paying Agent appointed with respect to the Notes pursuant to Article V of the Trust Agreement, and having the duties, responsibilities and rights provided for therein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“JPMC Reimbursement Agreement” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and JPMorgan Chase Bank, National Association.

“Letter of Credit” means an irrevocable direct-pay letter of credit issued by the Bank, in substantially the form of Exhibit A hereto.

“Letter of Credit Expiration Date” has the meaning assigned to that term in the Letter of Credit.

“Material County Debt” means any Debt of the County that is outstanding in a principal amount of \$50,000,000 or more.

“Maximum Base Rental” has the meaning set forth in the Sublease.

“Maximum Rate” means twelve percent (12%) per annum.

“Minimum Required Rental Payment” has the meaning set forth in the Sublease.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“No-Issuance Notice” has the meaning assigned that term in Section 3.3.

“Note” and *“Notes”* each has the meaning assigned in the first recital of this Agreement.

“Notice of Decrease in Stated Amount” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex F to the Letter of Credit.

“Notice of Extension” means a notice from the Bank to the Issuing and Paying Agent in the form of Annex E to the Letter of Credit.

“Offering Memorandum” means the offering memorandum with respect to the Notes.

“Original Stated Amount” means \$75,000,000.

“Other Reimbursement Agreements” means the BANA Reimbursement Agreement, the JPMC Reimbursement Agreement and the Union Bank Reimbursement Agreement.

“Outstanding” when used in reference to Notes means, as of a particular date, all Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Note cancelled at or before such date, (ii) any Note deemed to have been paid in accordance with the Trust

Agreement and (iii) any Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“Participant Bank” means any institution to which the Bank has granted a participation in or assigned, sold, or otherwise transferred the whole or any part of the Bank’s rights or obligations (or both) under this Agreement or any other Related Document.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” - means, with respect to the Corporation at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Pledged Property” has the meaning set forth in the Trust Agreement.

“Prime Rate” means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Principal Advance” and *“Principal Advances”* each has the meaning assigned to that term in Section 2.5.

“Principal Advance Rate” means, on any particular date, a rate of interest calculated with respect to a particular Principal Advance equal to the Base Rate in effect for such date; *provided, however,* that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, *“Principal Advance Rate”* shall mean the Default Rate; *provided, further,* that at no time shall the Principal Advance Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“Property” has the meaning set forth in the Trust Agreement.

“Quarterly Payment Date” means the first day of each January, April, July and October.

“Rating Agency” means Moody’s or S&P.

“Reimbursement Obligations” means any and all amounts including, but not limited to, fees, expenses, amounts drawn under the Letter of Credit, Principal Advances, Term Loans and Default Advances, which may from time to time be owing by the Corporation to the Bank under this Agreement.

“Related Documents” means the Trust Agreement, the Letter of Credit, this Agreement, the Notes, the Revolving Note, the Issuing and Paying Agent Agreement, the Site Lease, the Sublease and the Dealer Agreements.

“Rental Payments” has the meaning set forth in the Sublease.

“Request for Decrease in the Stated Amount” means a notice from the Corporation to the Bank substantially in the form of Exhibit D attached hereto.

“Request for Extension” means a notice from the Corporation to the Bank substantially in the form of Exhibit C attached hereto.

“Request for Increase in the Stated Amount” means a notice from the Corporation and the County to the Bank substantially in the form of Exhibit C attached hereto.

“Revolving Note” means the Corporation’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.12 hereof, to evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Corporation that is reasonably acceptable to the Bank.

“Site Lease” means the Amended and Restated Site Lease dated April 26, 2010, by and between the County and the Corporation, as from time to time amended or supplemented in accordance therewith and with Section 5.1(b) hereof.

“State” means the State of California.

“Stated Amount” has the meaning assigned that term in the Letter of Credit.

“Sublease” means the Amended and Restated Sublease dated April 26, 2010, by and between the County and the Corporation, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“Sublease Term” has the meaning set forth in the Sublease.

“Swap Contract” - means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor

transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” has the meaning assigned that term in Section 2.9(a).

“*Term Loan*” and “*Term Loans*” each has the meaning assigned that term in Section 2.6(a).

“*Term Loan Conversion Date*” has the meaning assigned that term in Section 2.6(a).

“*Term Loan Rate*” means, on any particular date, a rate of interest calculated with respect to a particular Term Loan equal to the Base Rate from time to time in effect plus one percent (1.0%) per annum; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Term Loan Rate*” shall mean the Default Rate; *provided, further*, that at no time shall the Term Loan Rate be less than the rate per annum borne by any Outstanding Note (other than the Revolving Note) on any date.

“*Termination Date*” has the meaning assigned to that term in the Letter of Credit.

“*Trust Agreement*” has the meaning assigned in the first recital of this Agreement.

“*Trustee*” means Deutsche Bank National Trust Company, and its successor or successors, and any other person that may at any time be substituted in its place pursuant to the Trust Agreement.

“*Union Bank Reimbursement Agreement*” means that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010, among the County, the Corporation and Union Bank, N.A.

Section 1.2. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” Unless specified otherwise, all references to time shall mean Los Angeles time.

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted United States accounting principles consistently applied.

Section 1.4. Terms Defined in Trust Agreement. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Trust Agreement.

Section 1.5. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.1. The Letter of Credit. The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Issuing and Paying Agent in the Stated Amount and expiring by its terms not later than the Letter of Credit Expiration Date.

Section 2.2. Issuance of the Letter of Credit. The Bank will issue the Letter of Credit to the Issuing and Paying Agent on the Date of Issuance upon fulfillment of the applicable conditions precedent set forth in Section 3.1.

Section 2.3. Letter of Credit Fees. The Corporation shall pay or cause to be paid to the Bank:

(a) an annual letter of credit fee equal to Applicable Letter of Credit Fee applied to the Stated Amount in effect from time to time for the period from the Effective Date to and including the Letter of Credit Expiration Date;

(b) on the date of each drawing under the Letter of Credit, a draw fee of \$250; *provided, however,* that the Corporation shall not be required to pay more than \$1,500 in draw fees during any twelve-month period following the Date of Issuance or any anniversary thereof; and

(c) upon any amendment, modification, transfer or extension of the Letter of Credit, the Bank’s reasonable and customary administrative fees;

The fees set forth in Section 2.3(a) above shall be computed using a 360-day year for the actual number of days elapsed, and shall be payable quarterly in arrears, commencing on **[July 1]**, 2010, and thereafter on each Quarterly Payment Date and on the Termination Date.

Section 2.4. Payment of Amounts Drawn on Letter of Credit. (a) The Corporation shall pay or cause to be paid to the Bank an amount equal to that amount drawn on the Bank under the Letter of Credit pursuant to any Drawing with respect to the payment of accrued interest on maturing Notes or, subject to the provisions of Section 2.5 hereof, any Drawing with respect to the payment of principal of maturing Notes, on the same Business Day such drawing is honored.

(b) Any amount drawn under the Letter of Credit pursuant to a Drawing that is not repaid to the Bank when due as provided in clause (a) of Section 2.4, shall bear interest at the Default Rate until paid in full, payable on demand. Principal Advances, Term Loans and Default Advances shall be repaid to the Bank as provided in Sections 2.5 and 2.6 hereof.

(c) Any amount drawn under the Letter of Credit shall be noted by the Bank as principal due and owing on the grid attached to the Revolving Note pursuant to Section 2.12.

Section 2.5. Principal Advances. If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions precedent set forth in Section 3.2 shall have been fulfilled, and the Corporation (at its option) does not reimburse or cause to be reimbursed the Bank in connection therewith on the same Business Day, then such payment shall constitute a principal advance made by the Bank to the Corporation on the date and in the amount of such payment (each such advance being a “*Principal Advance*” and, collectively, the “*Principal Advances*”). The Corporation shall pay or cause to be paid interest on the unpaid amount of each Principal Advance from the date that such Principal Advance is made by the Bank until such amount is repaid in full.

Section 2.6. Conversion of Principal Advances to Term Loans; Term Loans; Default Advances. (a) Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, any amount of a Principal Advance (but not a Default Advance) remaining unpaid by the Corporation to the Bank under Section 2.5 on the earlier of (x) the ninetieth day after the date on which such Principal Advance was made and (y) the Termination Date (the “*Term Loan Conversion Date*”) shall be converted to a term loan (each, a “*Term Loan*” and, collectively, the “*Term Loans*”).

(b) The Corporation shall repay or cause to be repaid the principal amount of each Term Loan in installments as to principal, commencing on the first Quarterly Payment Date commencing after the Term Loan Conversion Date and on each Quarterly Payment Date thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Term Loan due and payable on the date which is the earlier of (i) the fifth anniversary of such Term Loan Conversion Date and (ii) the second anniversary of the Termination Date (the foregoing period with respect to each Term Loan herein referred to as an “*Amortization Period*”). The principal amount of each Term Loan shall be amortized over the related Amortization Period in equal quarterly installments of principal; *provided, however*, that the unpaid amount of each Term Loan shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject

to the Sublease for the corresponding Base Rental Period, and to the extent not so repaid, such Term Loan shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Term Loan shall continue to be an obligation of the County pursuant to the Sublease. The Corporation may prepay or cause to be prepaid the outstanding amount of any Term Loan in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to the conversion of a Principal Advance to a Term Loan. Each Term Loan shall bear interest at the Term Loan Rate, payable monthly in arrears on the first day of each calendar month during the term of such Term Loan and on the date on which the final installment of principal of the Term Loan is payable or, if such Term Loan bears interest at the Default Rate, upon demand.

(c) If (i) the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Notes and the conditions set forth in Section 3.2 shall not have been fulfilled, and the Corporation fails to reimburse or cause to be reimbursed the Bank in connection therewith, (ii) the Bank shall have made a Principal Advance to the Corporation and the conditions set forth in Section 3.2 shall not have been fulfilled on the Term Loan Conversion Date or (iii) an Event of Default shall have occurred while any Principal Advance remains outstanding, such payment or Principal Advance shall constitute a default advance (and not a Principal Advance) made by the Bank to the Corporation from and after the date and in the amount of such payment under the Letter of Credit or such other date on which any event described in clauses (i), (ii) or (iii) above shall occur (each such default advance being a “*Default Advance*” and, collectively, the “*Default Advances*”). The Corporation hereby agrees to pay or cause to be paid to the Bank (i) interest at the Default Rate on any amount of the Default Advance remaining unpaid by the Corporation to the Bank from the date of such Default Advance until payment in full, payable in arrears, upon demand, and (ii) the unpaid amount of each Default Advance immediately upon demand by the Bank but if no demand is made, then on each Quarterly Payment Date in an amount equal to the then fair rental value with respect to the Components subject to the Sublease for such quarterly period; *provided, however*, that the unpaid amount of each Default Advance shall be paid or caused to be paid by the Corporation in each year only to the extent of the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period, and to the extent not so repaid, such Default Advance shall be paid or caused to be paid by the Corporation during each subsequent Base Rental Period, to the extent owed, to the extent of the then fair rental value with respect to the Components subject to the Sublease for each such subsequent Base Rental Period, and such Default Advance shall continue to be an obligation of the County pursuant to the Sublease.

Section 2.7. Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts. (a) The Corporation may prepay or cause to be prepaid the amount of any Principal Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid. Any prepayment in part under this Section 2.7(a) shall be applied by the Bank against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

(b) Any prepayment made under Section 2.7(a) shall be applied by the Bank as a reimbursement of the related drawing (and as a prepayment of the Principal Advance or Term Loan, as the case may be, resulting from such drawing) and, in the case of a prepayment of a Principal Advance, the Corporation irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided, however,* that the Issuing and Paying Agent shall not deliver any Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to repayments of Term Loans or Default Advances, unless otherwise agreed to by the Bank.

(c) In the event that the Issuing and Paying Agent delivers any Notes while any Principal Advance or Term Loan or any portion of any Principal Advance or Term Loan remains unpaid, the Corporation shall apply the proceeds of any such Notes to the prepayment of such outstanding Principal Advance or Term Loan, as the case may be. Any prepayment in part under this Section 2.7(c) shall be applied against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

Section 2.8. Increased Costs; Capital Adequacy. (a) In the event of the adoption after the date hereof of any law, rule or regulation (domestic or foreign), or any change after the date hereof in any law, rule or regulation, or the interpretation or application thereof by any court, governmental authority, central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any governmental authority, central bank or comparable authority (whether or not having the force of law):

(i) subjects the Bank or any Participant Bank to any tax, deduction or withholding with respect to this Agreement, the Letter of Credit or the Revolving Note (other than any tax based upon the overall net income of the Bank or such Participant Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits (including letters of credit) or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank or any Participant Bank, or

(iii) imposes upon the Bank or any Participant Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank or such Participant Bank hereunder, the Letter of Credit or the Revolving Note,

and the result of any of the foregoing is to increase the cost to the Bank or such Participant Bank, reduce the income receivable by the Bank or such Participant Bank, impose any expense upon the Bank or such Participant Bank or reduce the amount of any payment receivable by the Bank or such Participant Bank, with respect to this Agreement, the Letter of Credit or the Revolving Note, as reasonably determined and allocated by the Bank or such Participant Bank, by an amount which the Bank or such Participant Bank deems to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank or such Participant Bank of the nature described in the next sentence, and the Corporation or the County, on behalf of the Corporation, shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such increase in cost, reduction in income, additional expense or reduced amount. A certificate setting forth such increase in cost, reduction in income or additional expense or reduced amount (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(b) If the Bank or any Participant Bank shall have determined that the adoption after the date hereof of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy, or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any Participant Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of the Bank or such Participant Bank as a consequence of its rights or obligations hereunder, under the Letter of Credit or with respect to the Revolving Note to a level below that which the Bank or such Participant Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, the Bank shall notify the Corporation and the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Corporation shall pay or cause to be paid to the Bank promptly, and in any event within 60 days after receipt of such notice, that amount which shall compensate the Bank or such Participant Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank or such Participant Bank on such amount) for such reduction in rate of return on capital. A certificate setting forth such reduction in rate of return on capital (including such detail as the Corporation or the County may reasonably request), and the manner of calculating the same as determined by the Bank or such Participant Bank, shall be submitted by the Bank to the Corporation and the County and, absent manifest error, shall be conclusive as to the amount thereof. In making the determinations contemplated by the above referenced

certificate, the Bank or such Participant Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(c) The Bank shall notify the Corporation and the County of any such impending or announced change in law, regulation or interpretation referred to in subsection (a) or (b) of this Section 2.8 promptly upon receipt by it of actual notice of such change; *provided, however*, that any delay or failure to so notify the Corporation or the County shall not in any manner relieve the Corporation or the County of their obligations under this Section 2.8. Notwithstanding anything contained in paragraphs (a) and (b) of this Section 2.8, the Corporation and the County shall have no liability to the Bank for any increased costs, increased capital or reduction in return to the extent incurred by the Bank more than one hundred eighty (180) days prior to the date that the above described notice is given to the Corporation and the County with respect thereto (the “*Cut-Off Date*”), except where (A) the Bank had no actual knowledge of the action resulting in such increased costs, increased capital or reduction in return as of the Cut-Off Date or (B) such increased costs, increased capital or reduction in return apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) Notwithstanding anything to the contrary in this Section 2.8, in the event the Bank grants any participation to any Participant Bank pursuant to Section 7.7(b) hereof, neither the Corporation nor the County shall have any obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Bank had not granted such participation.

(e) The obligations of the County and Corporation under this Section 2.8 shall survive the termination of this Agreement.

Section 2.9. Net of Taxes, Etc.

(a) *Taxes.* Any and all payments to the Bank by the Corporation hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If the Corporation shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.9), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Corporation shall make such deductions and (iii) the Corporation shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Corporation shall make any payment under this Section 2.9 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Corporation an amount equal to

the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Corporation with respect to such Taxes. In addition, the Corporation agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the Corporation within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Corporation to the Bank hereunder *provided* that the Bank’s failure to send such notice shall not relieve the Corporation of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The Corporation shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.9 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Corporation shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank’s negligence or willful misconduct. The Bank agrees to give notice to the Corporation of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the Corporation promptly of such assertion shall not relieve the Corporation of its obligation under this Section 2.9. Payments by the Corporation pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Corporation any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Corporation pursuant to this Section 2.9 received by the Bank for Taxes or Other Taxes that were paid by the Corporation pursuant to this Section 2.9 and to contest, with the cooperation and at the expense of the Corporation, any such Taxes or Other Taxes which the Bank or the Corporation reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the Corporation, the Corporation shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the Corporation under this Section 2.9 shall survive the termination of this Agreement.

Section 2.10. Payments and Computations. (a) The Corporation shall make or cause to be made each payment hereunder (i) representing reimbursement pursuant to Section 2.4 hereof to the Bank of the amount drawn on the Bank pursuant to a Drawing made under the Letter of Credit not later than 1:00 P.M., Los Angeles time, and (ii) not later than 10:00 A.M., Los Angeles time, for all other payments, on the day when due, in lawful money of the United States of America to the account of the Bank set forth in Section 2.10(c) hereof in immediately

available funds; *provided, however*, that whenever any payment hereunder shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time; and *provided, further* that the Corporation shall be permitted to make any payment pursuant to Section 2.3 in next day funds if such payment is made (i) on the Business Day immediately preceding the date on which such payment would otherwise have been due and (ii) in an amount equal to the amount that would have been required to have been paid had the payment not been made in next day funds in reliance upon this proviso. Payment received by the Bank after the applicable time set forth in this Section 2.10 shall be considered to have been made on the next succeeding Business Day. All computations of interest payable by the Corporation hereunder shall be made on the basis of a year of 365 days, as the case may be, and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. All computations of fees payable by the Corporation hereunder shall be made on the basis of a 360 day year but calculated on the actual number of days elapsed.

(b) Unless otherwise provided herein, any amount payable by the Corporation hereunder that is not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Bank.

(c) Payments under this Agreement shall be made to the Bank as follows:

Payments due to the Bank related to drawings under the Letter of Credit or payment of Letter of Credit fees should be made to the Bank at: ABA#: _____ for credit to A/C#: _____, Ref Letter of Credit No. _____, Attn: _____.

Section 2.11. Extension of Letter of Credit Expiration Date; Reduction in Stated Amount.

(a) On the Date of Issuance, the Letter of Credit Expiration Date shall be the Initial letter of Credit Expiration Date. The Letter of Credit Expiration Date shall be subject to extension at any time following the then scheduled Letter of Credit Expiration Date, as set forth below and in the Letter of Credit. At least 90 days but not more than 120 days prior to the Letter of Credit Expiration Date, the Corporation and the County may request in writing that the Bank extend the Letter of Credit Expiration Date for an additional term of one year or such other period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify the Corporation and the County in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period, the Letter of Credit Expiration Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Letter of Credit Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify the Corporation, the Bank shall be deemed to have denied any such extension.

(b) *Reduction in Stated Amount.* The Corporation and the County may elect to reduce the Stated Amount of the Letter of Credit from time to time prior to the Letter of Credit Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon

receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice in the form attached to the Letter of Credit as Annex F, thereby reducing the Stated Amount, all as set forth in the Letter of Credit. Upon such reduction, the Stated Amount of the Letter of Credit shall not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

Section 2.12. Evidence of Debt; Revolving Note. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Corporation resulting from each drawing under the Letter of Credit and from each Advance and Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations of the Corporation therein recorded. To evidence the indebtedness of the Corporation due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, the Corporation will issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity schedule therefor pursuant to Sections 2.5 and 2.6 respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of the Revolving Note.

Section 2.13. Obligations Absolute. The obligations of the Corporation under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms thereof, under all circumstances whatsoever, including without limitation the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment to, waiver of or consent to departure from any provision of, this Agreement or any of the Related Documents;
- (c) the existence of any claim, set-off, defense or other right which the Corporation or the County may have at any time against the Trustee, the Issuing and Paying Agent, the Dealer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement), any beneficiary or any transferee of the Letter of Credit (or any person or entity for whom any such beneficiary or any such transferee may be acting) or any other Person, whether in connection with this Agreement, any Related Document or any unrelated transaction;
- (d) any demand, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) any non-application or misapplication by the Issuing and Paying Agent of the proceeds of any drawing under the Letter of Credit;

(f) payment by the Bank under the Letter of Credit to the person entitled thereto against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit, *provided that* such payment shall not have been the result of the gross negligence or willful misconduct of the Bank; or

(g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding the foregoing, the obligations of the Corporation under this Agreement are a special obligation of the Corporation payable solely from the Pledged Property. To the extent the County pays any obligation of the Corporation under this Agreement, such payment shall be deemed to be payment by the Corporation of such obligation.

Section 2.14. Termination; Acceptance of Alternate Credit Facility. Notwithstanding any provision of this Agreement or the Letter of Credit to the contrary, the Corporation nor the County shall terminate or replace the Letter of Credit prior to the Letter of Credit Expiration Date except upon (i) the payment to the Bank of a termination fee in an amount equal to the Applicable Letter of Credit Fee (based upon a Stated Amount in an amount equal to that in effect on the Date of Issuance) for three years, less the actual amount of Applicable Letter of Credit Fees the Corporation has previously paid to the Bank (the "*Termination Fee*"), (ii) the payment to the Bank of all fees, expenses and other amounts payable hereunder, (iii) the payment to the Bank of all principal and accrued interest owing on the Revolving Note, and (iv) providing the Bank notice of its intention to do so at least sixty (60) days prior to the date of such termination or replacement; *provided that* all payments to the Bank referred to in clauses (i), (ii) and (iii) above shall be made with immediately available funds. Notwithstanding any provisions of this Section 2.14 to the contrary, the Corporation may terminate or replace the Letter of Credit in accordance with the Trust Indenture at any time without paying the Termination Fee (i) if any two of the following (A), (B) or (C) shall have occurred: (A) if the Bank is then rated by Moody's, the date on which Moody's shall have lowered or withdrawn the short-term rating on the Bank below "*P-1*," (B) if the Bank is then rated by S&P, the date on which S&P shall have lowered or withdrawn the short-term rating on the Bank below "*A-1*," (C) if the Bank is then rated by Fitch, the date on which Fitch shall have lowered or withdrawn the short-term rating on the Bank below "*F-1*;" or (ii) upon the repayment or refunding of the Notes with the proceeds of long-term bonds fixed to maturity.

Section 2.15. Pledge by the Corporation. (a) To provide security to the Bank for the payment by the Corporation of the Reimbursement Obligations and any and all amounts now or hereafter owing to the Bank under this Agreement and the Revolving Note, the Corporation has pledged to the Bank the Pledged Property pursuant to the Trust Agreement and as evidenced by the Assignment Agreement and all right, title and interest in all funds in the Issuing and Paying Agent Fund.

(b) The Corporation's obligation to pay Reimbursement Obligations, including the Revolving Note, shall be a special obligation of the Corporation payable solely from the moneys pledged to the payment thereof pursuant to the Trust Agreement and this Agreement.

(c) The pledges made hereby are valid, binding and perfected from the time when they are made and property so pledged shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act, and the lien of such pledges shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No instrument by which such pledges are created nor any financing statement need be recorded or filed.

Section 2.16. Maximum Interest Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed any maximum interest rate payable by law for any period for which interest is payable, then (i) interest at such maximum interest rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such maximum interest rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such maximum interest rate, at which time the Corporation shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such maximum interest rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. On the later of (i) the Termination Date and (ii) the date that all Reimbursement Obligations are payable hereunder, in consideration for any limitation of the rate of interest which may otherwise be payable hereunder, the Corporation shall pay or cause to be paid to the Bank a fee equal to the amount of all unpaid deferred Excess Interest (the “*Excess Interest Fee*”); *provided* that the Excess Interest Fee shall be payable as and to the extent that the then fair rental value with respect to the Components subject to the Sublease for such Base Rental Period exceeds the sum of all other Reimbursement Obligations remaining unpaid hereunder and the amount of interest accruing on the Notes during such Base Rental Period.

Section 2.17. Adjustment of Base Rental. (a) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, the County and the Corporation shall increase the amount of the Base Rental payable under the Sublease for the Property to the greater of (i) the Maximum Base Rental for the Property or (ii) the maximum fair rental value of the Property determined in accordance with subsection (b) below.

(b) To the extent any Reimbursement Obligation or accrued interest thereon has not been paid as and when due or any deferred Excess Interest remains unpaid, following the Letter of Credit Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, unless the Sublease has terminated in accordance with its terms, the County and the Corporation agree, at the Bank’s sole written request, from time to time (but not more than once in any twelve month period), to determine or cause to be determined, the fair rental value for one or more Components. Such determination shall be by any method that the Bank may reasonably request, subject to the reasonable approval of such method by the County, the Corporation and bond counsel, including a Class C appraisal and shall be at the sole expense of the County and

the Corporation. In addition, the County and the Corporation agree to extend the term of (i) the Site Lease in accordance with Section 4 thereof and (ii) the Sublease in accordance with Section 2.2 thereof, if, on the stated expiration thereof, any amounts remain owing to the Bank hereunder or under any of the other Related Documents.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.1. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions precedent on or before the Date of Issuance in form and substance and in a manner satisfactory to the Bank:

(a) The Bank shall have received:

(i) Certified copies of the resolutions of the Corporation and the County approving this Agreement, the other Related Documents and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of the Corporation and the County, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

(ii) A certificate of the Corporation and the County stating the names and true signatures of the officers of the Corporation and the County authorized to sign this Agreement and the other documents to be delivered by the Corporation and the County hereunder.

(iii) Executed or conformed copies of each of the Related Documents in form and substance satisfactory to the Bank.

(iv) A letter addressed to the Bank from Note Counsel, entitling the Bank to rely on such firm's approving Note opinion addressed to the Corporation.

(v) Evidence that the rating assigned to the Notes by S&P is A-1+ and by Moody's is P-1.

(vi) The Revolving Note duly executed and delivered by the Corporation to the Bank.

(vii) A certificate of the County setting forth the annual fair rental value of each Component.

(viii) Certificates of the Corporation and the County stating that (A) on the Date of Issuance, no event has occurred and is continuing, or would result

from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and that (B) on the Date of Issuance and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Corporation and the County contained herein or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(ix) An opinion of the County Counsel, as counsel to the Corporation, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(x) An opinion of the County Counsel, as counsel to the County, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xi) Audited financial statements for the County for the two most recently available fiscal years and the most recent operating budget summaries for the County's General Fund for the current fiscal year.

(xii) Evidence of title insurance on the Components in the form of a CLTA leasehold policy (10-21-87) of title insurance insuring the Trustee and naming the Bank as an additional insured, in an amount not less than the Commitment, subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including such endorsements as may be reasonably required by the Bank, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(xiii) Evidence of the County's current hazard and rental interruption insurance for the Components, and such insurance shall be satisfactory to the Bank. The Bank shall also have received a certificate from the County stating that the County's current policies of insurance and any self-insurance or alternative risk management programs maintained by the County comply with the provisions of Section 4.3 of the Sublease and Sections 5.1(u) hereof. Any such commercial insurance policies shall name the Bank as loss payee and additional insured and shall be issued by insurers rated "A" or better by Best's or approved by the Bank.

(xiv) A copy of the investment policy of the County.

(xv) Certificates of the Trustee and the Issuing and Paying Agent evidencing the signatures and offices of officers of each executing the Related Documents and with respect to the Issuing and Paying Agent, authorized to draw on the Letter of Credit, and with respect to such other matters as the Bank may

reasonably request, and an opinion of counsel to each of the Issuing and Paying Agent and the Trustee, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xvi) Such other documents, certificates, opinions, approvals and filings with respect to the Related Documents and this Agreement as the Bank may reasonably request.

(b) All other legal matters pertaining to the execution and delivery of this Agreement, the Related Documents and the issuance of the first installment of the Notes shall be reasonably satisfactory to the Bank and its counsel.

(c) The Corporation shall have made payment to the Bank of all amounts due on the Date of Issuance under Section 7.6 hereof.

Section 3.2. Conditions Precedent to Each Credit Event. As a condition precedent to the occurrence of each Credit Event hereunder, including the initial Credit Event, the following conditions shall be satisfied on the date of such Credit Event:

(a) no Event of Default shall have occurred and be continuing; and

(b) the representations and warranties made by the Corporation and the County in Article 4 hereof (other than in Sections 4.1(g) and 4.2(g) hereof) shall be true and correct in all material respects on and as of such date, as if made on and as of such date.

On the occurrence of each Credit Event, the Corporation shall be deemed to have represented and warranted that the foregoing conditions precedent have been satisfied.

Section 3.3. No-Issuance Notice; Final Drawing Notice. The Bank may deliver a notice to the Issuing and Paying Agent in the form of (i) Annex H to the Letter of Credit (a “*Final Drawing Notice*”) or (ii) Annex G to the Letter of Credit (a “*No-Issuance Notice*”) at any time that the Bank shall have determined that (i) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 have not been satisfied or (ii) an Event of Default shall have occurred and be continuing. Upon receipt of such notice, the Issuing and Paying Agent shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded. Any such notice received after 7:00 A.M., Los Angeles time, on any day on which Notes are being issued, shall be deemed to have been received on the next succeeding day. The Bank shall not incur any liability as a result of the Bank’s giving of any No-Issuance Notice or Final Drawing Notice that, in its good faith judgment, the Bank determines to be in accordance with this Section 3.3. Notwithstanding anything in this Section 3.3 which may be to the contrary, a No-Issuance Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated

prior to the receipt by the Issuing and Paying Agent of such No-Issuance Notice. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the County, Corporation and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. County Representations and Warranties. The County represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The County is validly existing as a political subdivision of the State, duly organized and validly existing under the Constitution of the State with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the County of this Agreement and the other Related Documents to which it is a party are within the County's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with, any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the County or by which the County or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the County (other than pursuant to such enumerated documents). The County is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the County, any agreement relating thereto, or any other contract or agreement (including its charter) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the County that would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the County is a party each constitutes a valid, binding and enforceable agreement of the County, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its organizational documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated by the Related Documents, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the County, threatened against or affecting, the County before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the County hereby makes to the Bank the same representations and warranties made by the County as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the County Administrative Officer, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the County is a party, or (ii) the performance by the County of its obligations under this Agreement or the other Related Documents to which the County is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property; Sublease.* The County has good and marketable fee simple title to all of the Components, subject only to Permitted Encumbrances. The Sublease is in full force and effect. The County, as lessee under the Sublease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the County’s obligations under the Sublease has been granted by the Corporation. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the County, as of the date this representation is made, that would have a material adverse effect on (i) the ability of the County to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of any of the Related Documents.

(l) *Financial Information.* The consolidated statement of financial position of the County as of June 30, 2009, as well as each CAFR of the County as of any more recent date, delivered to the Bank pursuant to this Agreement, fairly present the financial condition of the County as at such date and the results of the operations of the County for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied, and since the date of such financial information, there has been no change in the business, financial condition, results of operations, or prospects of the County which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(m) *Legal Matters.* The County is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the County, non-compliance with which would materially and adversely affect the ability of the County to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Environmental Laws.* Except as otherwise disclosed to the Bank prior to the Date of Issuance and to the best knowledge of County after due inquiry, with respect to each of the Components, the County is in material compliance with all applicable Environmental Laws (except to the extent non-compliance would have no material adverse effect on the annual fair market rental value of any such Component) of which compliance includes, but is not limited to, the possession by the County of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. To its knowledge after due

inquiry, the County has not received any written communication that alleges that the County is not in such compliance.

(o) *ERISA*. The County does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(p) *Regulations U and X*. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(q) *No Tax or Fee*. Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(r) *Usury*. The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(s) *Solvency*. The County is solvent.

Section 4.2. Corporation Representations and Warranties. The Corporation represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence*. The Corporation is validly existing as a non-profit public benefit corporation under the laws of the State, including the State Constitution, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authorization; Contravention*. The execution, delivery and performance by the Corporation of this Agreement, the Revolving Note and the other Related Documents to which it is a party are within the Corporation's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with (except as has previously been made), any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, articles of incorporation, bylaws, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the Corporation or by which the Corporation or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the Corporation (other than pursuant to such enumerated documents). The Corporation is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the Corporation, any

agreement relating thereto, or any other contract or agreement (including its articles of incorporation and bylaws) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the Corporation that would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the Corporation is a party each constitutes a valid, binding and enforceable agreement of the Corporation, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its articles of incorporation or its bylaws or other similar documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the Corporation, threatened against or affecting, the Corporation before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The Corporation does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the Corporation hereby makes to the Bank the same representations and warranties made by the Corporation as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the Treasurer of the Corporation, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the Corporation is a party, or (ii) the performance by the Corporation of its obligations under this Agreement or the other Related Documents to which the Corporation is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “_____,” as of the Date of Issuance, and as of the date of each issuance of Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property.* The Corporation has good and marketable leasehold title to all of the Components pursuant to the Site Lease. The Site Lease is in full force and effect. The Corporation, as lessee under the Site Lease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the Corporation’s obligations under the Site Lease has been granted by the County. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Site Lease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the Corporation that would have a material adverse effect on (i) the ability of the Corporation to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(l) *Usury.* The terms of this Agreement and the Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *Legal Matters.* The Corporation is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the Corporation, non-compliance with which would materially and adversely affect the ability of the Corporation to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Pledged Property.* The Trust Agreement creates a valid security interest in the Pledged Property as security for the punctual payment and performance of the obligations of the Corporation under this Agreement and under the Revolving Note.

(o) *Regulations U and X.* The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

(p) *No Tax or Fee.* Neither the execution or delivery of this Agreement or the advance of any amounts pursuant to this Agreement will give rise to any tax or fee imposed by any local or state agency or governmental body.

(q) *ERISA.* The Corporation does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(r) *Solvency.* The Corporation is solvent.

ARTICLE V

COVENANTS

Section 5.1. Covenants. The Corporation and the County each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The County and the Corporation will prepare or cause to be prepared and deliver to the Bank the following:

(i) as promptly as available (and in any event within 270 days following the end of each Fiscal Year of the County), the complete Comprehensive Annual Financial Report (“*CAFR*”) of the County, certified as to the fairness of presentation and conformity with generally accepted accounting principles by a recognized firm of independent certified public accountants;

(ii) concurrently with the delivery of each *CAFR* pursuant to (a)(i) above, upon the request of the Bank, a certificate from a County Representative certifying that such County Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing and a certificate from a the Corporation Representative certifying that such the Corporation Representative has no knowledge of any event which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, that has occurred and is continuing;

(iii) upon the request of the Bank, within ninety (90) days of proposal or adoption (as the case may be) of the most recently proposed or adopted annual

operating budget of the County (as the case may be) with respect to the County's General Fund, evidence that such annual operating budget with respect to the County's General Fund includes therein as a separate line item all Minimum Required Rental Payments and Additional Payments due during such period, if not otherwise paid from capitalized interest funded by proceeds of the Notes; and

(iv) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the County or the Corporation, as the Bank may from time to time reasonably request.

All factual information hereinafter delivered by the Corporation or the County in writing to the Bank will be, to the knowledge of the authorized person delivering such information after reasonable inquiry, accurate and complete in all material respects on the date as of which such information is certified.

(b) *Amendments to Related Documents.* Without the prior written consent of the Bank, the Corporation and the County will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Related Document to which the Corporation or the County is a party that affects the rights, interests, security or remedies of the Bank hereunder.

(c) *Incorporation of Covenants by Reference.* The Corporation and the County each agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party, which provisions, as well as related defined terms contained herein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank.

(d) *Dealers; Issuing and Paying Agent.* The Corporation and the County will not, without the prior written consent of the Bank (which consent shall not be unreasonably withheld or delayed), appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent. The Corporation and the County shall at all times maintain one or more Dealers and an Issuing and Paying Agent under the Trust Agreement. The Corporation and the County shall cause the Dealers and the Issuing and Paying Agent to market, issue, and deliver, as applicable, Notes up to the Maximum Rate. If any Dealer fails to sell the Notes for sixty (60) consecutive days, then the Corporation and the County agree, at the written request of the Bank, to cause the applicable Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. Any dealer agreement with a successor Dealer shall provide that (a) such dealer may resign upon at least 60-days prior written notice to the County, Issuing and Paying Agent and

the Bank and (b) such dealer shall use its best efforts to sell the Notes up to the Maximum Rate.

(e) *Outstanding Notes Plus All Interest to Accrue Thereon Not to Exceed Stated Amount; No Issuance after Receipt of No-Issuance Notice.* (i) The Corporation will instruct the Issuing and Paying Agent not to authenticate or deliver any Note if, immediately after the authentication and delivery of, and receipt of payment for, such Note, the sum of (1) the face value of all discount Notes and (2) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof, would exceed the Stated Amount. (ii) The Corporation will not instruct the Issuing and Paying Agent to authenticate or deliver any Note if the Issuance and Paying Agent has received a No-Issuance Notice or Final Drawing Notice, unless and until such No-Issuance Notice or Final Drawing Notice is rescinded.

(f) *Defaults.* The Corporation and the County will promptly (and in any event within ten Business Days after becoming aware thereof) notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and, to the extent a determination has been made, the action that the Corporation proposes to take with respect thereto.

(g) *Books, Records.* The Corporation and the County will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Corporation and the County, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances and accounts of the Corporation and the County with any representative or any other appropriate officer of the Corporation and the County or the Corporation's or the County's independent public accountants.

(h) *Other Obligations.* The Corporation and the County will each comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws, statutes and regulations binding upon it, noncompliance with which would materially adversely affect the Corporation's or the County's ability to perform its respective obligations under the Notes, this Agreement or any of the other Related Documents.

(i) *Litigation; Material Change.* The Corporation and the County shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could have a material adverse effect on (A) the ability of the Corporation or the County to perform their respective obligations hereunder or under the other Related Documents or (B) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(j) *Repayment of Drawings.* On and after the date of any drawing on the Letter of Credit, the Corporation will use its best efforts to cause the Dealer to sell Notes as soon as practicable and to use the proceeds of the sale of such Notes to repay such drawing.

(k) *Obligations under Related Documents.* The Corporation and the County shall take all actions as may be reasonably requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(l) *Replacement of Certain Entities.* The Corporation shall obtain the prior written consent of the Bank to the replacement of the Issuing and Paying Agent or the Dealer, which consent shall not be unreasonably withheld or delayed. The Corporation and the County shall provide the Bank with prior written notice of the replacement of any other entity that is a party to a Related Document.

(m) *Limitation on Voluntary Liens.* The Corporation and the County shall not create a pledge, lien or charge on any part of the Property or the Pledged Property, other than the lien in favor of holders of the Notes and the Bank; *provided, further,* that in no event shall any pledge, lien or charge on the Property or Pledged Property securing any swap termination or payments provided for pursuant to any Swap Contract be first in priority to the pledge, lien or charge on any part of the Property or the Pledged Property or any other obligation owed the Bank hereunder. The County and the Corporation covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other liens of whatever nature or character, which, in each case, might hamper the County in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.

(n) *County and the Corporation to Maintain Existence.* The Corporation agrees that it will maintain its existence as a California nonprofit public benefit corporation. The County agrees that it will maintain its existence as a political subdivision under its charter and the laws of the State.

(o) *Further Assurances.* The County and the Corporation will execute, acknowledge where appropriate, and deliver from time to time promptly at the request of the Bank all such instruments and documents as in the opinion of the Bank are reasonably necessary or desirable to carry out the intent and purposes of this Agreement.

(p) *No Impairment.* The County and the Corporation will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Related Document inconsistent with the rights and remedies of the Bank under this Agreement.

(q) *Lease Payments.* The County and the Corporation will not issue or authorize the issuance of any obligation payable from the Rental Payments (as defined in the Sublease) due under the Sublease other than the Notes and the Revolving Note.

(r) *References to the Bank.* The County and the Corporation will not refer to the Bank in any official statement, offering memorandum, or private placement memorandum or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

(s) *Title Insurance.* Title insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(t) *Maintenance of Insurance.* Insurance shall be provided and maintained in the manner and in form and substance as set forth in the Sublease.

(u) *Covenants and Legal Duties.* Subject to Section 3.1(g) of the Sublease, the County agrees to include all Minimum Required Rental Payments and Additional Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, and for all Minimum Supplemental Rental Payments, if any, subject to Section 3.5 of the Sublease. The covenants on the part of the County herein contained and in the Sublease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance, of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.

(v) *Use of Proceeds.* The proceeds of drawings made under the Letter of Credit will be expended solely to pay the principal of and interest on maturing Notes.

(w) *Ratings.* (i) The County shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by the County at Moody's or S&P in respect of its unenhanced General Obligation Debt. (ii) The County shall cause to be maintained at least one rating on its unenhanced General Obligation Debt by Moody's or S&P.

(x) *Voluntary Rent Abatement.* Except as required by law and the terms of the Sublease, the County shall not seek or assert a claim for abatement of rental payments under the Sublease.

(y) *Additional Rights.* In the event that the County shall enter into or otherwise consent to any credit agreement, reimbursement agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) pursuant to which a financial institution or financial institutions (each, a "Lender") undertakes to make loans or advances or extend credit or

liquidity to the County and/or the Corporation as support for any commercial paper notes of the Corporation or the County (each, a “*Bank Agreement*”), which Bank Agreement (i) contains covenants that are more restrictive on the part of the County or the Corporation than those contained in this Agreement, (ii) contains events of default and/or remedies that are more favorable to the Lender than those contained in this Agreement and/or (iii) provides that the Corporation or the County or any of the other parties thereto consent to the adjudication of any action, suit or proceeding arising under or relating to such Bank Agreement pursuant to judicial reference as provided in California Code of Civil Procedure Section 638 (collectively, the “*Additional Rights*”), such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights. Upon entering into or consenting to any Bank Agreement, the County and the Corporation shall promptly enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Bank shall maintain the benefit of such Additional Rights even if the County and/or the Corporation fails to provide such amendment. If the County shall amend the Bank Agreement such that it no longer provides for such Additional Rights (except for waivers of such Additional Rights), then, without the consent of the Bank, this Agreement shall automatically no longer contain the Additional Rights and the Bank shall no longer have the benefits of any of the Additional Rights.

(z) *Immunity.* To the fullest extent permitted by law, each of the Corporation and the County agrees not to assert the defense of immunity (on the grounds of sovereignty or otherwise) in any proceeding by the Bank to enforce any of the obligations of the Corporation or the County under this Agreement or any other Related Document.

(aa) *ERISA.* The Corporation will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

(bb) *Alternate Letter of Credit.* The Corporation agrees to use its best efforts to obtain an Alternate Credit Facility for the Letter of Credit in the event that (i) the Bank decides not to extend the Letter of Credit Expiration Date (such replacement to occur on the then current Letter of Credit Expiration Date) or (ii) the Letter of Credit shall otherwise terminate in accordance with its terms.

(cc) *Swap Agreements.* The Corporation will use its best efforts to enter into all future Swap Contracts with counterparties rated “AA-” (or its equivalent) or better by at least one rating agency. In no event shall any swap counterparty with respect to any such Swap Contract be rated lower than “A” (or its equivalent) by at least one rating agency, without the prior written consent of the Bank, at the time of entering into such Swap Contract.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.1. Events of Default. The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) The Corporation or the County shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder, subject to the proviso in Section 2.6(c) hereof, or (ii) any other Obligation as and when due hereunder and the continuance of such failure for a period of 30 days after written notice thereof;

(b) The Corporation or the County shall default in the performance of any of the covenants set forth in Section 5.1(b), (d), (h), (m), (n), (q), (s), (t), (u), (v), (w) (ii) or (cc) hereof;

(c) The Corporation or the County shall default in the performance of any other material term, covenant or agreement set forth herein and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the County, as applicable, by the Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the County (or incorporated by reference) in this Agreement or by the Corporation or the County in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The County shall (A) fail to make any payment on any Material County Debt (other than the Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material County Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material County Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material County Debt; or (C) any Material County Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material County Debt;

(f) The Corporation or the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the County under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the County, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of this Agreement or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the County, or the Corporation or the County shall contest the validity or enforceability thereof;

(i) Any pledge or security interest created hereunder or under the Trust Agreement to secure any amounts due under this Agreement shall fail to be valid or fully enforceable;

(j) An event of default shall occur under any of the Related Documents (other than this Agreement) or the County shall fail to make any payment under the Sublease when and as due;

(k) The long-term unenhanced rating by Moody's or S&P on any General Obligation Debt of the County shall be withdrawn, suspended or otherwise unavailable for credit related reasons or reduced below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively;

(l) One or more final, nonappealable judgments or orders for the payment of money in the aggregate amount of \$50,000,000 or more shall be rendered against the County and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; or

(m) Any “*Event of Default*” as defined in any of the Other Reimbursement Agreements shall have occurred.

Section 6.2. Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) issue a No-Issuance Notice, (ii) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent), (iii) declare the Revolving Note, in whole or in part, all or some Principal Advances and Term Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance hereunder due and payable in the manner set forth in and subject to Section 2.6 hereof, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 6.1(f) or (g), the remedies described in clause (iii) above shall occur immediately and automatically without notice or further action on the part of the Bank or any other person and the remedy described on clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article 2 hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Reimbursement Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each drawing under the Letter of Credit following the occurrence of an Event of Default. Notwithstanding the foregoing, the occurrence of an Event of Default shall not affect the Bank’s obligations under the Letter of Credit with respect to Notes that are outstanding at the time of the occurrence of such Event of Default, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes that are outstanding at the time of the occurrence of such Event of Default.

Nothing contained in Section 6.2 shall result in, or be construed to require, an acceleration of Base Rental under the Sublease and nothing contained in this Section 6.2 is intended to abrogate abatement of Base Rental made in accordance with the terms of the Sublease. Nothing contain in Section 6.2 shall abrogate the obligation of the Bank to honor properly presented and conforming Drawings under the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Amendments and Waivers. No amendment, change, discharge or waiver of any provision of this Agreement, nor consent to any departure by the Corporation or the County therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County, as the case may be, to any other or further notice or demand in the same, similar or other circumstances.

Section 7.2. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

If to the Corporation: Los Angeles County Capital Asset Leasing Corporation
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the County: County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Treasurer and Tax Collector
Facsimile: (213) 625-2249
Telephone: (213) 974-7175

if to the Bank: Wells Fargo Bank, National Association
[Insert]
Attention: _____
Telephone: _____
Facsimile: _____

if to the Issuing
and Paying Agent: **[INSERT]**
Attention:
Telephone:
Facsimile:

if to the Trustee: **[INSERT]**
Attention: _____
Telephone: _____
Facsimile: _____

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Bank pursuant to the provisions of Article II shall not be effective until received by the Bank.

Section 7.3. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on the Corporation or the County in any case shall entitle the Corporation or the County to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action

in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.4. Indemnification. (a) To the extent permitted by law, the Corporation and the County, hereby indemnify and hold the Bank and its directors, officers, employees and agents (the “*Indemnified Parties*”) harmless from and against any and all claims, damages, losses, liabilities, costs or expenses which such Indemnified Parties may incur or which may be claimed against such Indemnified Parties by any person by reason of or in connection with (i) the offering, sale, remarketing or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents or in any supplement or amendment to the Offering Memorandum or any similar disclosure document (other than in connection with a description of the Bank), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading (other than in connection with a description of the Bank; (ii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iii) the issuance of the Letter of Credit or the use of any proceeds of the Letter of Credit; (iv) the execution, delivery and performance of this Agreement, or the making or the failure to honor a properly presented and conforming drawing under the Letter of Credit; or (v) any Property; *provided, however*, neither the Corporation nor the County, shall be required to indemnify an Indemnified Party pursuant to this Section 7.4(a) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank.

(b) To the extent not prohibited by applicable law, the Corporation and the County agree to indemnify and hold the Bank harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Notes and the other Related Documents, or any amendment thereto.

Section 7.5. Liability of the Bank. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for (i) the use which may be made of the proceeds of any Notes or any drawings under the Letter of Credit, (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon (other than the validity as against the Bank of any agreement to which the Bank is a party), even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iii) the lack of validity or enforceability of this Agreement, the Notes, any other Related Document or any other agreement or instrument relating thereto (other than the validity or enforceability as against the Bank of any agreement to which the Bank is a party), (iv) payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any drawings under the Letter of Credit, (vi) errors in interpretation of technical terms, (vii) any consequences arising from causes beyond the control of the Bank, including, without limitation, any acts of governmental entities, or (viii) any other circumstances whatsoever in

making or failing to make payment under the Letter of Credit; *provided*, that the Corporation and the County shall have claims against the Bank, and the Bank shall be liable to the Corporation and the County to the extent of any direct, as opposed to consequential, damages suffered by the Corporation or the County which the Corporation and the County prove were caused by the Bank's willful misconduct or gross negligence. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

Section 7.6. Expenses; Documentary Taxes. The Corporation shall pay or cause to be paid (a) fees and document production costs and disbursements of Chapman and Cutler LLP, special counsel for the Bank, in connection with the preparation of this Agreement and the Letter of Credit, (b) all reasonable out-of-pocket travel and other expenses incurred by the Bank in connection with this Agreement and the Letter of Credit, (c) all reasonable out-of-pocket expenses of the Bank, including fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel, in connection with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement or any Related Document. The Corporation shall reimburse the Bank for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution a delivery of this Agreement or any Related Document or the acquisition or disposition by the Bank of the Revolving Note pursuant to this Agreement.

Section 7.7. Binding Effect. (a) This Agreement shall become effective when it shall have been executed by the Corporation, the County and the Bank and thereafter shall be binding upon and inure to the benefit of the Corporation, the County and the Bank and their respective successors and assigns, except that the Corporation and the County shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank.

(b) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of the Letter of Credit and the obligations of the Corporation and the County hereunder and under the other Related Documents to any Participant Bank without the consent of the Corporation or the County, *provided* that no such action by the Bank shall relieve the Bank of its obligations under the Letter of Credit. The Bank may disclose to any Participant Bank or prospective Participant Bank any information or other data or material in the Bank's possession relating to this Agreement, any other Related Document, the Corporation, the County and the Property, without the consent of the Corporation or the County, *provided* that if required by the Corporation or the County, the Participant Bank or prospective Participant Bank shall certify to the Corporation and/or the County, as the case may be, that the information provided by the Bank is being used solely to assist the Participant Bank or prospective Participant Bank in evaluating its position as a Participant Bank in the Letter of Credit. No Participant Bank shall be entitled to receive any greater payment under Section 2.8 hereof than the Bank would have been entitled to receive with respect to the rights and obligations hereunder transferred. Notwithstanding any participation granted by the Bank pursuant hereto, the Corporation and the

County shall continue to deal solely and exclusively with the Bank in connection with the respective rights and obligations of the Corporation, the County and the Bank hereunder and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Bank hereunder and the Bank will continue to serve as the only contact for the Corporation and the County for all matters relating to this Agreement.

Section 7.8. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.9. Approvals. The Bank hereby approves with respect to the Notes, Deutsche Bank National Trust Company as Issuing and Paying Agent, and _____, as Dealers.

Section 7.10. Governing Law and Jurisdiction. (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 7.2 hereof.

(c) To the extent permitted by law, each of the Corporation, the County and the Bank irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Corporation's, the County's or the Bank's performance of its obligations under this Agreement or any other Related Document.

(d) The waivers made pursuant to this Section 7.10 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Section 7.11. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 7.12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.13. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

By: _____
Title: Authorized Officer

Date: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Title: Authorized Officer

Date: _____

(SEAL)

ATTEST:

By: _____
Assistant Secretary
Los Angeles County Capital Asset
Leasing Corporation

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By: _____
Name: _____
Title: _____

EXHIBIT A
[FORM OF LETTER OF CREDIT]
IRREVOCABLE LETTER OF CREDIT NO. _____

April __, 2010
U.S. \$75,000,000
No. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]

Attention: _____

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Los Angeles County Capital Asset Leasing Corporation (the "*Corporation*"), and County of Los Angeles (the "*County*"), in your favor, as Issuing and Paying Agent (the "*Issuing and Paying Agent*") with respect to the Corporation's Commercial Paper Notes issued pursuant to the Amended and Restated Trust Agreement dated April 26, 2010 (the "*Trust Agreement*"), by and among the Corporation, the County and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), as it is from time to time amended, supplemented, waived and modified in accordance therein, pursuant to which up to \$400,000,000 in aggregate principal amount of the Corporation's Lease Revenue Commercial Paper Notes in the form of Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*") or Lease Revenue Tax-Exempt Commercial Paper Notes, Series [] (the "*Tax-Exempt Notes*" and together with the Tax-Exempt Notes, collectively referred to herein as the "*Notes*"), are being issued, our Irrevocable Letter of Credit No. _____ in the initial maximum available amount of SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) as reduced, reinstated, increased and decreased from time to time (the "*Stated Amount*"), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Notes, effective on the date hereof and expiring at **[4:00 p.m., Chicago]** time at our office in _____, _____ set forth below on _____, 2013, except as extended pursuant to a notice from us to you in the form attached hereto as Annex E (the "*Letter of Credit Expiration Date*") or terminated earlier as hereafter provided; *provided, however*, that if such date is not a Business Day, the Letter of Credit Expiration Date shall be the next preceding Business Day. The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Corporation. This Letter of Credit is being issued pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County and the Bank. Capitalized

terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, (a) in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California, Illinois or New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit (a "*Business Day*"), by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Notes issued in accordance with the Indenture), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of and interest to maturity on Notes issued in accordance with the Indenture and that otherwise matures on or after the date that you receive notice from us in the form of Annex H hereto (the "*Final Drawing Notice*")), attached hereto (any such certificate being a "*Drawing*"), in an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only when and to the extent (i) of transfer by you to us on the date such Drawing is honored of proceeds of new Notes issued on such date or other funds furnished by or on behalf of the Corporation to us for such purpose, in either case in an aggregate amount equal to the amount of such Drawing, or upon written notice from us to you that we have been reimbursed by or on behalf of the Corporation for any amount drawn hereunder by any Drawing and (ii) you have not received from us a No-Issuance Notice in the form attached hereto as Annex G.

The Stated Amount of this Letter of Credit shall also be reduced from time to time on each Decrease Date specified in, and in the amounts set forth in, a notice from us to you in the form attached hereto as Annex F (each, a "*Decrease Notice*"). As of the applicable Decrease Date and upon such reduction, the Stated Amount shall not be less than your certification in the applicable Decrease Notice of the sum of the face value of all discount Notes and the principal amount of all outstanding non-discount Notes plus an amount (the "*Interest Coverage Amount*") equal to the sum of the products of the principal amount of each non-discount Note supported by this Letter of Credit times the interest rate per annum borne by such non-discount Note, divided by 365, times the number of days from the date of issuance of such non-discount Note to and including the maturity date of such non-discount Note.

Each Drawing shall be dated the date of its presentation, and shall be presented by facsimile (at facsimile number _____ or alternatively _____, Attention: _____, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing shall be immediately confirmed by telephone (telephone number: _____ or alternatively to _____, Option 1)), notifying us of such Drawing; *provided*, that, the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than **[10:00 A.M., Chicago]** time on a Business Day prior to the termination hereof, we will honor the same by **[2:00 P.M., Chicago]** time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of the Letter of Credit, after **[10:00 A.M.]**, Chicago time on a Business Day prior to the termination hereof, we will honor the same by **[2:00 P.M., Chicago]** time on the next succeeding Business Day in accordance with your payment instructions.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the related Drawing. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent.

This Letter of Credit shall expire at **[4:00 p.m., Chicago]** time, on the date (the earliest of such date to occur referred to herein as the "*Termination Date*") which is the earliest of (i) Letter of Credit Expiration Date, (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that an Alternate Credit Facility has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility, (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (a) the 15th calendar day after the date on which you receive the Final Drawing Notice, and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee together with the original Letter of Credit.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the Drawings referred to herein; and any such

reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will notify the Issuing and Paying Agent thereof within the time set forth above for honor of such demand for payment, such notice to be confirmed in writing to the Issuing and Paying Agent within one Business Day, and we shall return all documents to you.

Communications with respect to this Letter of Credit shall be addressed to us at _____, Attention: _____, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by us. For telephone assistance, please contact the _____ at _____, and have the Letter of Credit number available.

Communications with respect to this Letter of Credit shall be addressed to you at [_____], Attention: [_____], specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES**

ANNEX A-1

**TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____**

**[FORM OF CERTIFICATE FOR DRAWING]
CERTIFICATE FOR DRAWING IN CONNECTION
WITH THE PAYMENT OF PRINCIPAL AND INTEREST
IRREVOCABLE LETTER OF CREDIT NO. _____**

Wells Fargo Bank, National Association

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the “*Issuing and Paying Agent*”), hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.
2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Notes, which payment is due on _____.
3. The amount of the Drawing is equal to \$ _____, with \$ _____ being drawn in respect of the payment of principal of maturing Notes and \$ _____ representing ___ days’ interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on maturing Notes does not exceed the Stated Amount of the Letter of Credit. The amount payable by the Bank with respect to this Drawing is \$ _____.
4. Each such Note was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.
5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement and shall apply the same directly to the payment when due of the

principal amount of the Notes and the interest amount owing on account of the Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

6. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE COMMERCIAL PAPER NOTES**

ANNEX A-2

TO

**WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____**

**CERTIFICATE FOR DRAWING IN CONNECTION WITH THE
PAYMENT OF PRINCIPAL AND INTEREST AFTER FINAL DRAWING NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____**

Wells Fargo Bank, National Association

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Wells Fargo Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Indenture and is acting as the agent for the holders of the Notes.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Notes issued in accordance with the Indenture but which matures on or after the date of a Final Drawing Notice.
4. The amount of the Drawing is equal to \$ _____, with \$ _____ being drawn in respect of the payment of principal of maturing Notes and \$ _____ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Notes and the Indenture. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, the Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.
5. The Notes were authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Indenture.
6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Payment Account maintained by the Issuing and Paying Agent pursuant to the Indenture and the Issuing and Paying Agent

Agreement and apply the same directly to the payment when due of the principal amount of Notes and the interest amount owing on account of the Notes pursuant to the Indenture, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes has been presented for payment and paid by us, we will cancel such matured Notes.

7. This Certificate is being presented to the Bank on a date which is no later than the 15th calendar day after receipt by the Issuing and Paying Agent of the Final Drawing Notice.

8. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

ANNEX B

**TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____**

REQUEST FOR TRANSFER

Date: _____

Wells Fargo Bank, National Association

Re: Wells Fargo Bank, National Association Irrevocable Letter of Credit No. _____
dated _____, 2010

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the
above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee)

"Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred.

The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Payment of transfer fee of U.S. \$___ is for the account of the Corporation and the County, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Credit as transferred and the transactions underlying the Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

| |
|--|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> |
|--|

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

ANNEX C

**TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____**

**[FORM OF CERTIFICATE RE: ALTERNATE CREDIT FACILITY]
CERTIFICATE RE: ALTERNATE CREDIT FACILITY
IRREVOCABLE LETTER OF CREDIT NO. _____**

Wells Fargo Bank, National Association

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Wells Fargo Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. The conditions precedent to the acceptance of an Alternate Credit Facility set forth in the Trust Agreement have been satisfied.
3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of
the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX D

TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____
[FORM OF CERTIFICATE RE: NO OUTSTANDING NOTES]
CERTIFICATE RE: NO OUTSTANDING NOTES
IRREVOCABLE LETTER OF CREDIT NO. _____

Wells Fargo Bank, National Association

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to Wells Fargo Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.
2. No Notes (other than Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does the Corporation intend to issue any additional Notes under the Trust Agreement.
3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.
4. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX E

TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]
NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent

[Insert Address]

Attention: _____

The undersigned, duly authorized signatory of Wells Fargo Bank, National Association (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement"), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, the Letter of Credit Expiration Date of the Letter of Credit has been extended to _____.
2. This letter should be attached to the Letter of Credit and made a part thereof.
3. The Corporation and the County's acknowledgment hereof shall be deemed to be the certification by the Corporation and the County that all of its representations and warranties contained in Article IV of the Reimbursement Agreement are true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX F

TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF CERTIFICATE RE: REDUCTION IN STATED AMOUNT]
CERTIFICATE RE: REDUCTION IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatory of Wells Fargo Bank, National Association (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, that pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, that the Stated Amount of the Letter of Credit shall be decreased in the amount of \$_____, effective as of _____ (the "Decrease Date"). The new Stated Amount of the Letter of Credit is \$_____. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by
Deutsche Bank National Trust Company, as
Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX G

TO
WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

[FORM OF NO-ISSUANCE NOTICE]
NO-ISSUANCE NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _____

Deutsche Bank National Trust Company
as Issuing and Paying Agent
[Insert Address]
Attention: _____

The undersigned, duly authorized signatories of Wells Fargo Bank, National Association (the "Bank"), hereby certify to Deutsche Bank National Trust Company (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "Reimbursement Agreement"), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles and the Bank, *[insert one of the following phrases]* [the conditions precedent to the occurrence of a Credit Event (as defined in the Reimbursement Agreement) set forth in Section 3.2 of the Reimbursement Agreement have not been satisfied] [an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing].
2. Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 3.1 of the Trust Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 9:00 A.M., Chicago time, on a Business Day you shall cease authenticating Notes on the next Business Day.
3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of _____, _____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name: _____
Title: _____

cc: Los Angeles County Capital Asset Leasing Corporation
County of Los Angeles

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

ANNEX H

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION IRREVOCABLE
LETTER OF CREDIT NO. _____

CERTIFICATE RE: FINAL DRAWING
IRREVOCABLE LETTER OF CREDIT NO. _____

Attention: _____

Reference is made to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*”; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Issuing and Paying Agent.

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Notice, to cease issuing Notes.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Notes issued in accordance with the Indenture which is outstanding and is maturing or is hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

WELLS FARGO BANK, as the Bank

By _____
Name: _____
Title: _____

Acknowledged as of _____, _____ by
_____, as Issuing and Paying Agent

By _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT B

[FORM OF REVOLVING NOTE]
REVOLVING NOTE

\$75,000,000

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the "*Corporation*"), for value received, hereby promises to pay to WELLS FARGO BANK, NATIONAL ASSOCIATION (the "*Bank*"), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank in _____, _____, the sum of \$75,000,000 or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the "*Grid*") on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. The Corporation hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.5 and 2.6 of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Note, and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Corporation recorded therein.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (as the same may at any time be amended or modified and in effect, the "*Reimbursement Agreement*"), among the Corporation, the County of Los Angeles California and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its due date accelerated.

The Corporation hereby agrees to pay or cause to be paid all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of the Corporation duly adopted.

The Corporation hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of _____, 2010.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title: Authorized Officer

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES**

REVOLVING NOTE GRID

**DRAWINGS, ADVANCES AND TERM LOANS
AND PAYMENTS OF PRINCIPAL AND INTEREST**

| Date | Drawing, Advance or Term Loan | Amount of Drawing, Advance or Term Loan | Principal Amount of Advances or Term Loans Repaid | Amount of Interest on Advances or Term Loans Repaid | Aggregate Advance Balance | Notation Made By |
|------|-------------------------------------|--|---|---|---------------------------------|---------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE]

REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation (“*Corporation*”) and the County of Los Angeles (the “*County*”), hereby certify to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____ (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(a) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby request an extension of the Letter of Credit Expiration Date to _____.

2. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Section 4.1(g) and 4.2(g) thereof) are true and correct and will be true and correct as of the date of this Certificate as if made on and as of the date hereof and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the date hereof or will occur as a result of the extension of the Letter of Credit Expiration Date of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES

EXHIBIT D

[FORM OF REQUEST FOR DECREASE IN STATED AMOUNT]

REQUEST FOR DECREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Los Angeles County Capital Asset Leasing Corporation ("*Corporation*") and the County of Los Angeles (the "*County*"), hereby certify to Wells Fargo Bank, National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. _____ (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.11(b) of the Letter of Credit and Reimbursement Agreement dated as of April 1, 2010 (the "*Reimbursement Agreement*," to which reference is made for the definition of capitalized terms not otherwise defined herein), among the Corporation, the County and the Bank, the Corporation and the County hereby elect to reduce the Stated Amount of the Letter of Credit in the amount of \$_____, effective as of _____ (the "*Decrease Date*").

2. The Decrease Date for which such decrease is requested is _____, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$_____. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the sum of (i) the face value of all discount Notes and (ii) the principal amount of all outstanding non-discount Notes plus all interest to accrue on such non-discount Notes to the maturity date thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the _____ day of _____, _____.

LOS ANGELES COUNTY CAPITAL ASSET LEASING
CORPORATION

By: _____
Title:

COUNTY OF LOS ANGELES

By: _____
Title:

EXHIBIT B

PROPOSED FORM OF RESTATED SITE LEASE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Nixon Peabody LLP
555 W. 5th Street, 46th Floor
Los Angeles, California 90013**

Attention: Rudy S. Salo, Esq.

(Space above for Recorder's use)

AMENDED AND RESTATED SITE LEASE

Dated [as of April 1, 2010]

by and between the

COUNTY OF LOS ANGELES,
as Lessor,

and

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
as Lessee

NO DOCUMENTARY TRANSFER TAX DUE.

This Amended and Restated Site Lease is recorded for the benefit of the County of Los Angeles and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code.

AMENDED AND RESTATED SITE LEASE

THIS AMENDED AND RESTATED SITE LEASE, dated [as of April 1], 2010 (this “**Site Lease**”), is made by and between the **COUNTY OF LOS ANGELES**, a political subdivision of the State of California (the “**County**”), as lessor, and the **LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION**, formed pursuant to the Nonprofit Corporation Law of the State of California (the “**Corporation**”), as lessee.

WITNESSETH:

That in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

SECTION 1. Definitions.

All capitalized terms used herein without definition shall have the meanings given to such terms in the Sublease, dated as of the date hereof, by and between the Corporation and the County (the “**Sublease**”).

SECTION 2. Property.

The County hereby leases to the Corporation those parcels of real property, together with the buildings and improvements thereon owned by the County, located in the County of Los Angeles, California, as more particularly described in Exhibits A (Parcels 1 through 24) attached hereto and incorporated herein by this reference (the “**Property**”), subject to the terms hereof and subject to any and all covenants, conditions, reservations, exceptions and other matters which are of record.

SECTION 3. Ownership.

The County represents and covenants that it is the sole owner of and holds fee title to the Property free and clear of any encumbrances other than Permitted Encumbrances, and has full power and authority to enter into this Site Lease and the Sublease.

SECTION 4. Term.

With respect to each Component, the term of this Site Lease shall begin on the date of recordation hereof and end on the earlier to occur of: (a) the date set forth with respect to such Component in Exhibit B to the Sublease; or (b) the date of termination of the Sublease with respect to such Component as provided in Section 2.2 thereof. Notwithstanding anything to the contrary contained herein, if, at any time on or prior to the final maturity of all outstanding Commercial Paper Notes, there shall remain outstanding any obligations to a Bank or Alternate Bank in respect of payments made under any Credit Facility, the term of this Site Lease with respect to each Component subject to this Site Lease at such time shall be extended to correspond to the extension of the Sublease as provided in Section 2.2 of the Sublease.

SECTION 5. Rent.

The Corporation shall pay to the County an advance rent of \$1.00 as full consideration for this Site Lease over its term, the receipt of which is hereby acknowledged by the County.

SECTION 6. Purpose.

The Corporation shall use the Property for the purposes described in the Sublease and for such other purposes as may be incidental thereto.

SECTION 7. Assignment and Lease.

The Corporation shall not assign, mortgage, hypothecate or otherwise encumber this Site Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Property or any Component without the written consent of the County (unless a default or Event of Default under the Sublease or the Trust Agreement shall have occurred and be continuing, in which case the consent of the County shall not be required), except that the County expressly approves and consents to the Sublease and the Trust Agreement, the pledge of the Corporation's right, title and interest in and to this Site Lease and the Sublease, including the Base Rentals and other payments under the Sublease to the Trustee as provided in the Trust Agreement.

SECTION 8. Right of Entry.

The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time.

SECTION 9. Expiration.

The Corporation agrees, upon the expiration of this Site Lease, to quit and surrender the Property.

SECTION 10. Quiet Enjoyment.

The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Property.

SECTION 11. Taxes.

The County covenants and agrees to pay any and all taxes and assessments levied or assessed upon the Property and improvements thereon.

SECTION 12. Eminent Domain.

If the Property or any Component shall be taken under the power of eminent domain, the interest of the Corporation shall be recognized and is hereby determined to be the aggregate amount of unpaid Base Rental and Additional Rental with respect to the Property or

Component under the Sublease through the remainder of its term (excluding any contingent or potential liabilities), and such proceeds shall be paid to the Trustee, as assignee of the interest of the Corporation hereunder, in accordance with the terms of the Sublease and the Trust Agreement.

SECTION 13. Default.

In the event that the Corporation or its assignee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Site Lease by reason of any default on the part of the Corporation or its assignee if (i) such termination would affect or impair the assignment by the Corporation of its right, title and interest in and to Base Rentals pursuant to the Trust Agreement, or (ii) such termination would prejudice the exercise of the remedies provided in Section 12 of the Sublease. So long as any such assignee of the Corporation or any successor in interest to the Corporation shall duly perform the terms and conditions of this Site Lease, such assignee shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment.

In furtherance of the foregoing, the County and the Corporation agree that: (i) the County will simultaneously mail to any Bank or any Alternate Bank, as applicable, a copy of any notice given by the County to the Corporation; (ii) prior to taking any action upon a default by the Corporation or its assignee in the performance of any obligation under the terms of this Site Lease, the County shall provide written notice thereof to any Bank or the Alternate Bank, as applicable, and thereupon such Bank shall have the right, but not the obligation, to cure any such default. In that connection, the County will not take action to effect a termination of this Site Lease or to re-enter or take possession of the Property or any Component as a consequence of such default except upon the prior written direction of the Bank. Furthermore, if this Site Lease shall be rejected or disaffirmed pursuant to any bankruptcy law or other law affecting creditors' rights or if this Site Lease is terminated for any other reason whatsoever, the County will use its best efforts to enter into a new lease of the Property at the request of the Bank or the Alternate Bank, as applicable, for the remainder of the term of this Site Lease, effective as of the date of such rejection or disaffirmance or termination. So long as any Credit Facility facilitating a Series of Commercial Paper Notes is in effect or any obligations payable by the County to the Bank or Alternate Bank, as applicable, under Reimbursement Agreement of such Series remain unsatisfied, (i) the County will not accept a voluntary surrender of this Site Lease and (ii) this Site Lease shall not be modified in any material respect without, in each case, the prior written consent of the Bank or Alternate Bank, as applicable.

SECTION 14. Notices.

All notices, requests, demands or other communications under this Site Lease by any person shall be in writing and shall be sufficiently given on the date of service if served personally upon the person to whom notice is to be given or on receipt if sent by facsimile transmission or electronic facility or courier or if mailed by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

County: County of Los Angeles
500 West Temple Street, Room 432
Los Angeles, California 90012
Attention: Finance Officer

Corporation: Los Angeles County
Capital Asset Leasing Corporation
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Treasurer

Trustee: Deutsche Bank National Trust Company
101 California Street, 46th Floor
San Francisco, California 94111
Attention: Trust and Securities Services

or to such other address or addresses as any such person shall have designated to the other by notice given in accordance with the provisions of this Section 14.

Copies of any such notices, requests, demands or other communications under this Site Lease given by either the County or the Corporation shall be provided to each of the Trustee, at the address specified in this Section 14, and to each Bank as follows:

a) Bank of America, N.A.

b) JPMorgan Chase Bank, National Association

270 Park Avenue, 6th Floor
New York, New York 10017-2014
Attention: David Bayer
Facsimile: (917) 546-2657
Telephone: (212) 270-4186

- c) Union Bank, N.A.

445 South Figueroa Street
Mail Code: G08-268
Los Angeles, California
Attention: Public Finance Group
Facsimile: (213) 236-6917
Telephone: (213) 236-6435

- d) Wells Fargo Bank, National Association

or to such other address or addresses as each Bank shall have designated to the County and the Corporation by notice given in accordance with the provisions of this Section 14.

SECTION 15. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Site Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Site Lease shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 16. Governing Law; Venue.

This Site Lease is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Site Lease initiates any legal or equitable action to enforce the terms of this Site Lease, to declare the rights of the parties under this Site Lease or which relates to this Site Lease in any manner, each such party agrees that the place of making and for performance of this Site Lease shall be the County of Los Angeles, State of California, and the proper venue for any such action shall be any court of competent jurisdiction.

SECTION 17. Amendments.

This Site Lease may be amended only in accordance with and as permitted by the terms of Section 7.02 of the Trust Agreement.

SECTION 18. Execution in Counterparts.

This Site Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 19. No Merger.

If both the Corporation's and the County's estate under this Site Lease or the Sublease or any other lease relating to any Property or any portion thereof shall at any time by any reason become vested in one owner, this Site Lease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the County so elects as evidenced by recording a written declaration so stating, and, unless and until the County so elects, the County shall continue to have and enjoy all of its rights and privileges as to the separate estates.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Site Lease as of the date first above written.

COUNTY OF LOS ANGELES, as Lessor

By: _____
Chair of the Los Angeles County
Board of Supervisors

**LOS ANGELES COUNTY CAPITAL
ASSET LEASING CORPORATION**,
as Lessee

By: _____
Authorized Signatory

Attest:

By: _____
Assistant Secretary of the Los Angeles
County Capital Asset Leasing Corporation

Certificate of Executive Officer-Clerk
of the Board of Supervisors

On this ___ day of _____ 2010, pursuant to Section 25103 of the California Government Code, the undersigned Executive Officer-Clerk of the Board of Supervisors certifies that on this date, a copy of this document was delivered to the Chair of the Board of Supervisors of the County of Los Angeles.

Executive Officer-Clerk of the
Board of Supervisors

By _____
Deputy

State of California)
) SS
County of Los Angeles)

On _____, 2010, before me, _____ (here insert name & title of the officer), personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

State of California)
) SS
County of Los Angeles)

On _____, 2010, before me, _____ (here insert name & title of the officer), personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[Legal description of each Component available upon request]

EXHIBIT C

PROPOSED FORM OF RESTATED SUBLEASE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Nixon Peabody LLP
555 W. 5th Street, 46th Floor
Los Angeles, California 90013**

Attention: Rudy S. Salo, Esq.

AMENDED AND RESTATED SUBLEASE

Dated [as of April 1, 2010]

by and between

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION,
as Sublessor

and

COUNTY OF LOS ANGELES,
as Sublessee

NO DOCUMENTARY TRANSFER TAX DUE

This Amended and Restated Sublease is exempt pursuant to
Section 27383 of the California Government Code and
Section 11928 of the California Revenue and Taxation Code.

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Section 1. Definitions..... | 1 |
| Section 2. Sublease; Term..... | 5 |
| 2.1 Sublease | 5 |
| 2.2 Term..... | 5 |
| Section 3. Rent..... | 6 |
| 3.1 Rental Payments..... | 6 |
| 3.2 Consideration | 8 |
| 3.3 Budget..... | 8 |
| 3.4 Payment..... | 9 |
| 3.5 Rental Abatement..... | 9 |
| 3.6 Triple Net Sublease..... | 9 |
| Section 4. Affirmative Covenants of the Corporation and the County..... | 9 |
| 4.1 Replacement, Maintenance and Repairs | 9 |
| 4.2 Taxes, Other Governmental Charges and Utility Charges..... | 10 |
| 4.3 Insurance | 11 |
| 4.4 Liens..... | 12 |
| 4.5 Laws and Ordinances | 13 |
| 4.6 Performance of Corporation’s Duties and Responsibilities..... | 13 |
| Section 5. Application of Insurance Proceeds | 13 |
| 5.1 General..... | 13 |
| 5.2 Title Insurance | 13 |
| Section 6. Eminent Domain..... | 13 |
| 6.1 Total Condemnation..... | 13 |
| 6.2 Partial Condemnation..... | 13 |
| 6.3 Condemnation Awards..... | 14 |
| Section 7. Assignment and Sublease; Addition, Substitution or Release of Property..... | 14 |
| 7.1 Assignment and Sublease | 14 |
| 7.2 Addition, Substitution or Release of Property | 14 |
| Section 8. Additions and Improvements; Removal | 15 |
| Section 9. Right of Entry | 15 |
| Section 10. Quiet Enjoyment | 15 |
| Section 11. Indemnification and Hold Harmless Agreement | 15 |
| Section 12. Default by County..... | 15 |
| 12.1 Events of Default | 15 |
| 12.2 Remedies on Default..... | 15 |
| Section 13. Waiver..... | 16 |
| Section 14. DISCLAIMER OF WARRANTIES..... | 16 |
| Section 15. Notices | 16 |
| Section 16. Validity | 18 |
| Section 17. Execution in Counterparts..... | 18 |
| Section 18. Law Governing | 18 |
| Section 19. Amendment..... | 18 |
| Section 20. Excess Payments..... | 18 |

| | | |
|-------------|--|----|
| Section 21. | No Merger | 18 |
| Section 22. | Further Assurances and Corrective Instruments | 19 |
| Section 23. | Representations and Warranties of the County..... | 19 |
| 23.1 | Existence | 19 |
| 23.2 | Authorization; Contravention | 19 |
| 23.3 | Binding Effect..... | 19 |
| 23.4 | No Default..... | 19 |
| 23.5 | Litigation..... | 19 |
| 23.6 | No Sovereign Immunity..... | 20 |
| 23.7 | Incorporation of Representations and Warranties by Reference | 20 |
| 23.8 | Legislation..... | 20 |
| Section 24. | Refinancing of Corporation Obligations..... | 20 |
| Section 25. | Third Party Beneficiaries | 20 |

EXHIBITS

Exhibit A - Legal Description of the Property

Exhibit B - Base Rental Payment Schedules

Exhibit C-1 - Form of Debt Service Certificate – Annual

Exhibit C-2- Form of Debt Service Certificate – Additional Notes

Exhibit C-3 – Form of Debt Service Certificate – Additional Interest

AMENDED AND RESTATED SUBLEASE

THIS AMENDED AND RESTATED SUBLEASE, dated [as of April 1, 2010] (the “**Sublease**”), is entered into by and between the **COUNTY OF LOS ANGELES** (the “**County**”), a public subdivision of the State of California (the “**State**”), as sublessee, and the **LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION** (the “**Corporation**”), a California nonprofit public benefit corporation, as sublessor.

RECITALS

WHEREAS, the Corporation is the lessee of the Property (as hereinafter defined), pursuant to the terms and conditions set forth in the Amended and Restated Site Lease, dated of even date herewith, between the County and the Corporation, and desires to sublease to the County the Property, and the County desires to sublease from the Corporation the Property on the terms stated herein; and

WHEREAS, the County is authorized to enter into this Sublease pursuant to applicable law of the State; and

WHEREAS, the County and the Corporation desire to provide for the pledge of all Base Rental payments hereunder to the payment of principal of and interest on the Corporation’s Commercial Paper Notes.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Sublease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Trust Agreement (as hereinafter defined).

“**Additional Rental**” means the amounts specified as such in Section 3.1(g) hereof.

“**Assumed Interest Cost**” means, as of any date of calculation or for any period of time, the amount that would accrue as interest during such period on Notes Outstanding as of the date of such calculation assuming such Notes bore interest during the entirety of such period at the Assumed Interest Rate for the Base Rental Period during which such date of calculation occurs.

“**Base Rental**” shall have the meaning assigned to such term in the Trust Agreement.

“**Base Rental Payment Date**” means [July 15] or as soon as reasonably practicable thereafter, and each [July 15] thereafter commencing [July 15], [2010] / [2011] during the Sublease Term.

“**Base Rental Period**” means the one-year period between one Base Rental Payment Date and the next Base Rental Payment Date.

“**Closing Date**” means the date on which this Sublease is filed for recording in the official records of Los Angeles County.

“**Commercial Paper Notes**” means collectively the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes.

“**Component**” means, as the context requires, any of the following or any property added thereto or substituted therefor pursuant to Section 7 hereof, but does not include any property released pursuant to Section 7:

- (i) the real property and the buildings and improvements located on the real property described as Parcel 1 on **Exhibit A** hereto (the “Hall of Records”);
- (ii) the real property and the buildings and improvements located on the real property described as Parcel 2 on **Exhibit A** hereto (the “Le Sage Complex”);
- (iii) the real property and the buildings and improvements located on the real property described as Parcel 3 on **Exhibit A** hereto (the “Health Services Administration Bldg. and Central Health Center”);
- (iv) the real property and the buildings and improvements located on the real property described as Parcel 4 on **Exhibit A** hereto (the “Adams & Grand”);
- (v) the real property and the buildings and improvements located on the real property described as Parcel 5 on **Exhibit A** hereto (the “DPSS-Exposition Park ”);
- (vi) the real property and the buildings and improvements located on the real property described as Parcel 6 on **Exhibit A** hereto (the “Patriotic Hall”);
- (vii) the real property and the buildings and improvements located on the real property described as Parcel 7 on **Exhibit A** hereto (the “Olive View Medical Center”);
- (viii) the real property and the buildings and improvements located on the real property described as Parcel 8 on **Exhibit A** hereto (the “Hutton Building Registrar-Recorder”);

- (ix) the real property and the buildings and improvements located on the real property described as Parcel 9 on **Exhibit A** hereto (the “Lost Hills Sheriff Station”);
- (x) the real property and the buildings and improvements located on the real property described as Parcel 10 on **Exhibit A** hereto (the “Challenger Memorial Youth Center” (formerly Mira Loma Boy’s Camp));and
- (xi) the real property and the buildings and improvements located on the real property described as Parcel 11 on **Exhibit A** hereto (the “Pitchess Detention Center South Facility-Visitor’s Center” (formerly Pitchess Honor Rancho-Visitor’s Center));
- (xii) the real property and the buildings and improvements located on the real property described as Parcel 12 on **Exhibit A** hereto (the “Pitchess Detention Center South Facility-Laundry Expansion” (formerly Pitchess Honor Rancho- Laundry Expansion));
- (xiii) the real property and the buildings and improvements located on the real property described as Parcel 13 on **Exhibit A** hereto (the “Pitchess Detention Center South Facility-Fueling Station” (formerly Pitchess Honor Rancho- Fueling Station));
- (xiv) the real property and the buildings and improvements located on the real property described as Parcel 14 on **Exhibit A** hereto (the “Pitchess Detention Center North Facility” (formerly Pitchess Medium Security North));
- (xv) the real property and the buildings and improvements located on the real property described as Parcel 15 on **Exhibit A** hereto (the “Central Jail Expansion Parking Structure”);
- (xvi) the real property and the buildings and improvements located on the real property described as Parcel 16 on **Exhibit A** hereto (the “Temple City Sheriff Station”);
- (xvii) the real property and the buildings and improvements located on the real property described as Parcel 17 on **Exhibit A** hereto (the “Palmdale Sheriff Station”);
- (xviii) the real property and the buildings and improvements located on the real property described as Parcel 18 on **Exhibit A** hereto (the “San Dimas Sheriff Station”);

- (xix) the real property and the buildings and improvements located on the real property described as Parcel 19 on **Exhibit A** hereto (the “Fire Station 89 (Agoura Hills)”); and
- (xx) the real property and the buildings and improvements located on the real property described as Parcel 20 on **Exhibit A** hereto (the “Fire Station 72 (Malibu)”); and
- (xxi) the real property and the buildings and improvements located on the real property described as Parcel 21 on **Exhibit A** hereto (the “Fire Station 108 (Santa Clarita)”); and
- (xxii) the real property and the buildings and improvements located on the real property described as Parcel 22 on **Exhibit A** hereto ((the “Fire Station 136 (Palmdale)”); and
- (xxiii) the real property and the buildings and improvements located on the real property described as Parcel 23 on **Exhibit A** hereto ((the “Fire Station 93 (Palmdale)”); and
- (xxiv) the real property and the buildings and improvements located on the real property described as Parcel 24 on **Exhibit A** hereto (the “Long Beach Comp. Health Center”).

“**County Representative**” means the Treasurer and Tax Collector or another official designated by such officer and authorized to act on behalf of the County under or with respect to this Sublease and all other agreements related hereto.

“**Debt Service Certificate — Additional Interest**” means a certificate substantially in the form of Exhibit C-3 hereof.

“**Debt Service Certificate — Additional Notes**” means a certificate substantially in the form of Exhibit C-2 hereof.

“**Debt Service Certificate — Annual**” means a certificate substantially in the form of Exhibit C-1 hereto.

“**Fiscal Year**” means the fiscal year of the County, which at the date of this Sublease is the period from July 1 to and including the following June 30.

“**Maximum Base Rental**” means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

“**Minimum Required Rental Payment**” has the meaning set forth in the Debt Service Certificate — Annual.

“**Minimum Supplemental Rental Payment**” means an amount determined pursuant to a Debt Service Certificate — Additional Notes or a Debt Service Certificate — Additional Interest.

“**Property**” means, collectively, all of the Components. “Property” also includes any property, or portion thereof, that by amendment hereto becomes subject to this Sublease and any property, or portion thereof, substituted for any of the Components pursuant to Section 7, but “Property” excludes any Component for which new property has been substituted, and any Component or property released, pursuant to Section 7 hereof.

“**Related Documents**” means the Trust Agreement, the Issuing and Paying Agent Agreement, the Site Lease, the Dealer Agreements, the Credit Facility and the Reimbursement Agreement.

“**Rental Payments**” means all Minimum Required Rental Payments, Minimum Supplemental Rental Payments and Additional Rental payable hereunder.

“**Sublease**” means this Sublease, including any amendments or supplements hereto made or entered into in accordance with the terms hereof and Section 7.02 of the Trust Agreement.

“**Sublease Term**” means the term of this Sublease, as provided in Section 2.2 hereof.

“**Trust Agreement**” means that certain Amended and Restated Trust Agreement, dated as of the date hereof, by and among the County, the Corporation and the Trustee, including any amendments or supplements thereto made or entered into in accordance with its terms.

“**Trustee**” means the trustee acting in its capacity as such under the Trust Agreement or any successor appointed as therein provided.

Section 2. Sublease; Term.

2.1 Sublease. The Corporation hereby subleases the Property to the County. The County hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Property for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Corporation to carry out its agreements and covenants contained herein and in the Trust Agreement, and the County hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Property.

2.2 Term. Subject to the next succeeding paragraph of this Section 2.2, with respect to each Component, the term of this Sublease with respect to such Component shall begin on the Closing Date and end on the earliest of: (a) the date set forth with respect to such Component in Exhibit B hereto (and in the case of any Property which is substituted for a Component pursuant to Section 7.2 hereof and Section 7.02 of the Trust Agreement, the date set forth in Exhibit B with respect to such substituted Component), (b) the date all Base Rental related to such Component is paid in full, (c) the date of termination of this Sublease with respect to such Component due to casualty or condemnation in accordance with the terms of Section 5 or

6 hereof, or (d) the date of release of such Component in accordance with the terms of Section 7.2 hereof and Section 7.02 of the Trust Agreement.

Notwithstanding anything to the contrary contained herein, including without limitation the provisions of Section 3.1 hereof, if, at any time, there shall remain outstanding any obligations to a Bank or Alternate Bank in respect of payments made by a Bank or Alternate Bank under a Credit Facility, the term of this Sublease with respect to each Component subject to this Sublease at such time shall be extended until such date as all obligations to such Bank or Alternate Bank have been satisfied; *provided, however*, in no event shall the term of this Sublease with respect to any Component exceed the maximum useful life of such Component. During such extension of the term of this Sublease the County shall pay Base Rental in amount sufficient to satisfy such obligations to such Bank or Alternate Bank in full; *provided, however*, that the Base Rental with respect to any Component during any Base Rental Period shall not exceed the fair rental value with respect to such Component during such Base Rental Period.

Section 3. Rent.

3.1 Rental Payments. The County hereby agrees to pay to the Corporation an amount up to the Maximum Base Rental and the Additional Rental with respect to each Component, as provided herein, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth herein. The County shall be obligated to pay the Minimum Required Rental Payment in advance, and any Minimum Supplemental Rental Payment and Additional Rental, on the terms, in the amounts, at the times and in the manner hereinafter set forth.

a. Maximum Base Rental. Subject to Section 2.2 above, the Maximum Base Rental for each Component for each Base Rental Period shall be the amount set forth in Exhibit B with respect to such Component and shall become due and payable annually in advance on each Base Rental Payment Date during the Sublease Term. The County hereby agrees to pay, from legally available funds, the aggregate Maximum Base Rental for all Components for each Base Rental Period on the respective Base Rental Payment Date subject to reduction pursuant to Section 3.1(b) hereof.

b. Minimum Required Rental Payment. Prior to the commencement of each Base Rental Period, the Corporation shall issue a Debt Service Certificate — Annual. If the Minimum Required Rental Payment set forth on the Debt Service Certificate for a Base Rental Period is less than the aggregate Maximum Base Rental for all Components for such Base Rental Period, the County may deposit with the Trustee such Minimum Required Rental Payment. The amount by which the aggregate Maximum Base Rental for said Base Rental Period exceeds the amount so deposited shall continue to be an obligation of the County for such Base Rental Period and shall be payable by the County if and to the extent that payment is required pursuant to Section 3.1(c) or 3.1(d) hereof.

c. Additional Deposit if Notes Increase. If the Debt Service Certificate — Additional Notes issued by the Corporation to the County pursuant

to Section 3.01(e)(v) of the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required, the County shall promptly pay such Minimum Supplemental Rental Payment, except as provided in Section 3.1(e) hereof.

d. Additional Deposit for Interest. If the Debt Service Certificate — Additional Interest filed by the Corporation with the County pursuant to Section 6.16 of the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required, the County shall promptly pay such Minimum Supplemental Rental Payment, except as provided in Section 3.1(e) hereof.

e. Alternative to Payment of Minimum Supplemental Rental Payment. The County shall not be required to pay any Minimum Supplemental Rental Payment if the Corporation shall have issued its Commercial Paper Notes to provide funds in an amount equal to or in excess of the amount of such Minimum Supplemental Rental Payment and the proceeds of such Notes shall have been deposited into the Bank Reimbursement Account within the Issuing and Paying Agent Fund.

f. No Payments in Excess of Aggregate Maximum Base Rental. Under no circumstances shall the County be required to pay during any Base Rental Period amounts exclusive of Additional Rental in excess of aggregate Maximum Base Rental.

g. Additional Rental. In addition to the Minimum Required Rental Payments and any Minimum Supplemental Rental Payments set forth herein, the County agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon any Component or upon any interest of the Corporation, the Trustee or the Holders therein or in this Sublease, including taxes and charges contemplated by Section 4.2 hereof;

(ii) All costs of maintenance, operation, repair and replacement of the Property as required under Section 4.1 hereof;

(iii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.3 hereof;

(iv) All fees, costs and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Commercial Paper Notes) of the Trustee and the Issuing and Paying Agent in connection with the Trust Agreement;

(v) All commitment fees and other amounts payable to the Banks or Alternate Bank, as applicable, under each Reimbursement Agreement; and

(vi) Any other fees, costs or expenses incurred by the Corporation, the Trustee and the Issuing and Paying Agent in connection with the execution, performance or enforcement of this Sublease or any assignment hereof or of the Trust Agreement or any of the transactions contemplated hereby or thereby or related to the Property.

Amounts constituting Additional Rental payable hereunder shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee, the Corporation or any Bank to the County stating the amount of Additional Rental then due and payable and the purpose thereof.

3.2 Consideration. The Minimum Required Rental Payments and any Minimum Supplemental Rental Payments and Additional Rental for each Fiscal Year or portion thereof during the Sublease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be payable by the County for and in consideration for the use and possession, and the continued quiet use and enjoyment, of the Property by the County for and during such Fiscal Year or portion thereof. The parties hereto have agreed and determined that the Rental Payments payable in respect of any Component are not in excess of the total fair rental value of such Component. In making such determination, consideration has been given to the uses and purposes served by each such Component and the benefits therefrom that will accrue to the parties by reason of this Sublease and to the general public by reason of the County's use of each such Component.

3.3 Budget. The County hereby covenants to include all Minimum Required Rental Payments and Additional Rental due hereunder in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, subject to Section 3.5 hereof. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the County who bears direct or indirect responsibility for administering this Sublease to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the County to carry out and perform the covenants and agreements on the part of the County contained in this Sublease. The obligation of the County to make Rental Payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Notwithstanding anything to the contrary contained herein, neither the Commercial Paper Notes nor the obligation of the County to make Rental Payments or Additional Rental payments constitutes an indebtedness of the County within the meaning of any constitutional or statutory debt limitation or restriction.

3.4 Payment. Amounts necessary to pay Rental Payments shall be paid by the County on the dates set forth in Section 3.1 hereof in lawful money of the United States of America, at the Principal Office of the Trustee, or at such other place or places as may be established in accordance with the Trust Agreement. Except as provided in Section 3.5 hereof, any amount necessary to pay any Rental Payments which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the County and the Corporation hereunder, the County shall make all Rental Payments when due and shall not withhold any Rental Payments pending the final resolution of such dispute or for any other reason whatsoever. The County's obligation to make Rental Payments in the amount and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of Section 3.5 hereof.

3.5 Rental Abatement. Except to the extent of (a) available amounts held by the Trustee in the Base Rental Account, the Payment Account or the Bank Reimbursement Account of the Issuing and Paying Agent Fund, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the County for payments in respect of this Sublease or to the Trustee for payments in respect of the Notes, Rental Payments due hereunder shall be subject to abatement in accordance with this Section 3.5 during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the County. The amount of annual rental abatement shall be such that the resulting Rental Payments in respect of the Property in any Fiscal Year during which such interference continues, excluding any amounts described in clauses (a), (b) or (c) above, do not exceed the annual fair rental value of the Property with respect to which there has not been substantial interference, as evidenced by a certificate of a County Representative. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the affected Component to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, this Sublease shall continue in full force and effect, except as set forth in Sections 5 and 6 hereof.

3.6 Triple Net Sublease. This Sublease is intended to be a triple net lease. The County agrees that the rentals provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges or set-offs whatsoever.

Section 4. Affirmative Covenants of the Corporation and the County.

The Corporation and the County are entering into this Sublease in consideration of, among other things, the following covenants:

4.1 Replacement, Maintenance and Repairs. The County shall, at its own expense, during the Sublease Term, maintain each Component, or cause the same to be maintained, in good order, condition and repair and shall repair or replace any Component which is destroyed or damaged to such an extent that there is substantial interference with the use and possession of such Component by the County which would result in an abatement of Rental Payments or any portion thereof pursuant to Section 3.5 hereof, whether or not there are

sufficient insurance proceeds to pay for such repair or replacement; *provided, however*, that the County shall not be required to repair or replace any Component pursuant to this Section 4.1 if there shall be applied to the payment and retirement of Outstanding Notes or payment of obligations under the Reimbursement Agreements insurance proceeds or other legally available funds sufficient to pay and retire (i) all of the Notes Outstanding and all obligations under the Reimbursement Agreements, or (ii) any portion thereof such that the resulting Rental Payments payable pursuant to Section 3.1 hereof in any Fiscal Year following such partial repayment are sufficient to pay in such Fiscal Year the principal of and interest on all Notes to remain Outstanding and all obligations under the Reimbursement Agreements, to the extent due and payable in such Fiscal Year, immediately after such partial repayment.

The County shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of each Component. It is understood and agreed that in consideration of the payment by the County of the Rental Payments herein provided for, the County is entitled to possession of each Component and the Corporation shall have no obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of such Component during the Sublease Term with respect to such Component. The Corporation shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to any Component. The County hereby expressly waives the right to make repairs or to perform maintenance of any Component at the expense of the Corporation and (to the extent permitted by law) waives the benefit of Sections 1932, 1941 and 1942 of the California Civil Code relating thereto. The County shall keep each Component free and clear of all liens, charges and encumbrances other than those existing on or prior to the Closing Date or on or prior to the date any property is substituted for any Component pursuant to Section 7 and included in the exceptions and exclusions set forth in the title policies delivered pursuant to Section 4.3 hereof, and any liens of mechanics, materialmen, suppliers, vendors or other persons or entities for work or services performed or materials furnished in connection with such Component which are not due and payable or the amount, validity or application of which is being contested in accordance with Section 4.4 hereof as expressly approved by the County, the Corporation and each Bank prior to the Closing Date, subject only to the provisions of Section 4.2 hereof.

4.2 Taxes, Other Governmental Charges and Utility Charges. The Corporation and the County contemplate that each Component will be used for a governmental or proprietary purpose of the County and, therefore, that each Component will be exempt from all taxes presently assessed and levied with respect to such Component. Nevertheless, the County hereby agrees to pay during the Sublease Term with respect to each Component as the same respectively become due, all taxes (except for income or franchise taxes of the Corporation), utility charges and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to each such Component; *provided, however*, that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect with respect to such Component; *provided, further*, that the County may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not adversely affect the right, title and interest of the Corporation or the Trustee in and to any Component or its rights

or interests under this Sublease or subject any portion of any Component to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under Section 3.1(g) hereof and shall be payable directly to the entity assessing such taxes or charges.

4.3 Insurance. The County shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in this Section 4.3, all coverage on the Property required by this Section 4.3. Such insurance shall consist of:

a. A policy or policies of insurance against loss or damage to any Component known as “all risk,” including earthquake and flood. Such insurance shall be maintained with respect to the Property at any time in an amount equal to the lesser of (i) the full replacement value of the Property, and (ii) the aggregate principal amount of Notes Outstanding and all obligations outstanding under the Reimbursement Agreements. The term “full replacement value” as used herein shall mean the cost of repair or replacement of the affected Component, without deduction for depreciation. Such insurance may at any time include a deductible clause providing for a deductible not to exceed \$1,000,000 for all losses in any year; *provided, however*, that the County’s obligations under this clause (a) may be satisfied by self-insurance satisfactory to the Corporation; *provided further, however*, that if the County in its own discretion determines that earthquake coverage is not available on commercially reasonable terms, then earthquake insurance on the Property shall not be required by this clause (a);

b. Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving any Component. Such insurance shall afford protection with a combined single limit of not less than \$1,000,000 per occurrence with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the County’s risk management officer or an independent insurance consultant retained by the County for that purpose; *provided, however*, that the County’s obligations under this clause (b) may be satisfied by self-insurance satisfactory to the Corporation;

c. Rental interruption insurance to cover loss, total or partial, of the use of any Component as a result of any of the hazards covered by the insurance required pursuant to clause (a) above, in an amount sufficient at all times to pay the total rent payable under this Sublease with respect to such Component for a period adequate to cover the period of repair or replacement. Such policy shall provide that the amount payable thereunder shall not be less than an amount equal to ____ year’s Base Rental for all of the particular Components to which such insurance applies; and

d. A CLTA policy or policies of title insurance for all Components in an amount not less than the aggregate principal amount of the Notes Outstanding and obligations outstanding under the Reimbursement Agreements. Such policy or policies of title insurance shall show title to the particular Component covered

by such policy in the name of the Corporation or the County, subject to the Sublease and such other encumbrances as will not, in the opinion of the Corporation and the County, materially affect the use, occupancy and possession of the Component and will not result in the abatement of Base Rental payable by the County hereunder with respect to such Component.

All policies or certificates issued by the respective insurers for insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days' prior written notice to the Trustee. A certificate of a County Representative stating whether all policies or self-insurance required by this Section 4.3 have been obtained and are in full force and effect shall be deposited with the Trustee by the County on the Closing Date and on or before each anniversary of the Closing Date.

All policies or certificates of insurance provided for herein (other than title insurance policies) shall name the County as a named insured, and the Corporation, the Banks and the Trustee as loss payees. All policies or certificates of insurance maintained under clauses (a), (c) and (d) above, shall name the Trustee as loss payee, and the proceeds of such insurance shall be deposited with the Trustee for application pursuant to the Trust Agreement. All proceeds of insurance maintained under clause (b) shall be deposited with the County.

Notwithstanding the generality of the foregoing, except as to the coverage required under clause (c) above, the County shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers at a reasonable cost on the open market.

All permitted self insurance programs shall be: (i) approved by an independent insurance consultant or the County's risk manager on an annual basis, (ii) maintained on an actuarial statement attesting to the sufficiency of the program's assets, and (iii) in the event the self insurance program is discontinued, the actuarial soundness of the claim reserve fund must be maintained. Self-insurance shall not be permitted for the coverages required under clauses (c) and (d) above.

4.4 Liens. The County shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about any Component and which may be secured by any mechanic's, materialman's or other lien against such Component, or the interest of the Corporation therein, and shall cause each such lien to be fully discharged and released; *provided, however*, that the County or the Corporation (a) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the County shall forthwith pay and discharge such

judgment or lien, or (b) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture.

4.5 Laws and Ordinances. The County agrees to observe and comply with all rules, regulations and laws applicable to the County with respect to the Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the County, and the Corporation shall not be liable therefor. The County agrees further to place, keep, use, maintain and operate all Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

4.6 Performance of Corporation's Duties and Responsibilities. The County and the Corporation agree that any and all administrative or ministerial actions or determinations that the Corporation is required to do or make pursuant to this Sublease, the Trust Agreement, the Site Lease, the Dealer Agreements, each Reimbursement Agreement, each Credit Facility or any other related agreement may be performed by the County on behalf of the Corporation.

Section 5. Application of Insurance Proceeds.

5.1 General. Proceeds of insurance received in respect of destruction of or damage to any portion of any Component by fire, earthquake or other casualty or event shall be paid to the Trustee for application in accordance with the provisions of Section 3.10 of the Trust Agreement. If there is an abatement of Rental Payments pursuant to Section 3.5 hereof as a result of such casualty or event, and the County elects pursuant to Section 3.10 of the Trust Agreement to apply such insurance to the payment and retirement of Notes rather than to the replacement or repair of the destroyed or damaged Component, then this Sublease shall terminate with respect to the destroyed or damaged Component as of the later of the date of such election by the County or the date the amount required by Section 3.10 of the Trust Agreement is received by the Trustee. If the County elects, pursuant to Section 3.10 of the Trust Agreement to apply such proceeds to the repair or replacement of the portion of any Component which has been damaged or destroyed, in the event there has been an abatement of Rental Payments pursuant to Section 3.5 hereof, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon repair or replacement of such portion of such Component.

5.2 Title Insurance. Proceeds of title insurance received with respect to any Component shall be paid to the Trustee for application in accordance with the provisions of Section 3.11 of the Trust Agreement.

Section 6. Eminent Domain.

6.1 Total Condemnation. If any Component, or so much thereof as to render the remainder of such Component unusable for the County's purposes under this Sublease, shall be taken under the power of eminent domain, then this Sublease shall terminate with respect to such Component as of the day possession shall be so taken or as of the date of entry of the interlocutory judgment.

6.2 Partial Condemnation. If less than a substantial portion of any Component shall be taken under the power of eminent domain, and the remainder is useable for

the County's purposes, then this Sublease shall continue in full force and effect as to the remaining portions of such Component, subject only to such rental abatement as is required by Section 3.5 hereof. The County and the Corporation hereby waive the benefit of any law to the contrary.

6.3 Condemnation Awards.

Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of Section 3.10 of the Trust Agreement. If the County elects, pursuant to Section 3.10 of the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of any Component, in the event there has been an abatement of Rental Payments pursuant to Section 3.5 hereof, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon replacement of Component.

Section 7. Assignment and Sublease; Addition, Substitution or Release of Property.

7.1 Assignment and Sublease. The County shall not mortgage, pledge, assign or transfer any interest of the County in this Sublease by voluntary act or by operation of law, or otherwise; *provided, however*, that the County may sublease all Property or any Component thereof, may grant concessions to others involving the use of the Property or any Component, whether such concessions purport to convey a leasehold interest or a license to use such Property or Component; *provided, further, however*, that such sublease or grant shall be subject to the terms hereof and of the Trust Agreement. Subject to the limitations set forth herein, the County shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the County of its obligation to pay Base Rental and Additional Rental with respect to each Component as provided in this Sublease or to relieve the County of any other obligations contained herein. In no event shall the County sublease to or permit the use of all or any part of any Component by any person so as to cause interest on the Tax Exempt Commercial Paper Notes to be includable in gross income for federal income tax purposes or to be subject to State personal income tax.

The Corporation shall, concurrently with the execution hereof, pledge all of its right, title and interest in and to this Sublease (except for its right to payment of its expenses under Section 3.1(g) hereof, its right to indemnification pursuant to Section 11 hereof and its right to receive certain notices under Section 15 hereof), including without limitation its right to receive Base Rental payable hereunder and to enforce its remedies hereunder, to the Trustee pursuant to the Trust Agreement, and the County hereby approves such pledge. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

7.2 Addition, Substitution or Release of Property. Notwithstanding Section 7.1 above, if no default or event of default has occurred and is continuing hereunder or under any Reimbursement Agreement, the County may acquire from the Corporation, free and clear of the

Corporation's rights under this Sublease and the Site Lease, the release or substitution of any Component, subject to the requirements set forth in Section 7.02 of the Trust Agreement, or the County may add a component or other property to this Sublease and the Site Lease, subject to the requirements set forth in Section 7.02 of the Trust Agreement.

Section 8. Additions and Improvements; Removal. The County shall have the right during the Sublease Term to make any additions or improvements to any Component, to attach fixtures, structures or signs, and to affix any personal property to any Component, so long as the fair rental value of the Component is not thereby reduced. Title to all fixtures, equipment or personal property placed by the County on any Component shall remain in the County. Title to any personal property, improvements or fixtures placed on any Component by any sublessee or licensee of the County shall be controlled by the sublease or license agreement between such sublessee or licensee and the County, which sublease or license agreement shall not be inconsistent with this Sublease.

Section 9. Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, have the right to enter upon any Component during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the rights or obligations of the Corporation under this Sublease or of the Trustee under the Trust Agreement, or (c) for all other lawful purposes.

Section 10. Quiet Enjoyment. The Corporation covenants and agrees that the County, upon keeping and performing the covenants and agreements herein contained, shall, at all times during the Sublease Term, peaceably and quietly have, hold, and enjoy the Property.

Section 11. Indemnification and Hold Harmless Agreement. To the extent permitted by law, the County hereby agrees to indemnify and hold the Corporation and its officers and directors harmless against any and all liabilities which might arise out of or are related to the Property and the Notes, including without limitation obligations to the Banks under each Reimbursement Agreement, and the County further agrees to defend the Corporation and its directors in any action arising out of or related to the Property and the Notes.

Section 12. Default by County.

12.1 Events of Default. If the County shall fail to pay to the Trustee any Rental Payment with respect to any Component as and when the same shall become due and payable, or shall breach any other terms, covenants or conditions contained herein or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 60 days after written notice thereof from the Corporation, or its assignee, to the County, or, if such breach cannot be remedied within such 60-day period, shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion, then and in any such event the County shall be deemed to be in default hereunder.

12.2 Remedies on Default. Upon a failure or breach as described in 12.1, the Corporation or its assignee shall have the right, at its option, without any further demand or notice (a) to reenter any Component and eject all parties in possession therefrom and, without terminating this Sublease, relet the Component as the agent and for the account of the County

upon such terms and conditions as the Corporation may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of reletting and collection, including expenses for repair or restoration of the Component to its original condition (taking into account normal wear and tear), reasonable attorneys' fees and any real estate commissions actually paid, and second to Base Rental with respect to such Component in accordance with this Sublease and the Trust Agreement and third to Additional Rental with respect to such Component in accordance with this Sublease; *provided*, that if a sufficient sum shall not be realized to pay such sums and other charges then the County shall pay to the Corporation any net deficiency existing on the date when the Base Rental or Additional Rental with respect to such Component is due hereunder; *provided, however*, that such reentry and reletting shall be done only with the consent of the County, which consent is hereby irrevocably given; or (b) in lieu of the above, so long as the Corporation does not terminate this Sublease or the County's possession of any Component, to enforce all of its rights and remedies under this Sublease, including the right to recover Base Rental payments as they become due under this Sublease pursuant to section 1951.4 of the California Civil Code and to otherwise enforce performance by the County, and to pursue any remedy available in law or in equity, except as expressly provided herein. Any reentry pursuant to this Section 12 shall be allowed by the County without hindrance, and the Corporation shall not be liable in damages for any reentry or be guilty of trespass. Notwithstanding any other provision of this Sublease or the Trust Agreement, in no event shall the Corporation or its assignee have the right to accelerate the payment of any Base Rental with respect to the Property hereunder.

Each and every remedy of the Corporation or any assignee of the rights of the Corporation hereunder is cumulative and the exercise of one remedy shall not impair the right of the Corporation or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Corporation or any assignee of the rights of the Corporation hereunder, the Corporation or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Corporation pursuant to this Section 12 shall be applied in the manner set forth in the Trust Agreement.

Section 13. Waiver. The waiver by the Corporation of any breach by the County, and the waiver by the County of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 14. DISCLAIMER OF WARRANTIES. NEITHER THE CORPORATION NOR ANY PERSON ACTING ON ITS BEHALF HAS MADE OR MAKES ANY WARRANTY OR REPRESENTATION AS TO THE PAST, PRESENT OR FUTURE CONDITION OF THE PROPERTY NOT HEREIN EXPRESSED, AND THE COUNTY HAS ENTERED INTO THIS SUBLEASE WITHOUT REPRESENTATIONS OR WARRANTIES WITH RESPECT THERETO ON THE PART OF THE CORPORATION, ITS AGENTS, REPRESENTATIVES OR EMPLOYEES.

Section 15. Notices. All notices, requests, demands and other communications under this Sublease shall be in writing (unless otherwise specified herein) and shall be

sufficiently given on the date of service if served personally upon the person to whom notice is to be given or on receipt if sent by telex or other telecommunication facility or courier or if mailed by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

a. if to the County, to the County of Los Angeles, 500 West Temple Street, Room 432, Los Angeles, California 90012; Attention: Public Finance, with a copy to the County Counsel;

b. if to the Corporation, to the Los Angeles County Capital Asset Leasing Corporation, 500 West Temple Street, Room 437, Los Angeles, California 90012; Attention: Treasurer, with a copy to the County Counsel;

c. if to the Trustee, Deutsche Bank National Trust Company, Deutsche Bank National Trust Company, 101 California Street, 46th Floor, San Francisco, California 94111, Attention: Trust and Securities Services

d. if to the Issuing and Paying Agent, Deutsche Bank National Trust Company, 101 California Street, 46th Floor, San Francisco, California 94111, Attention: Trust and Securities Services;

e. if to the Banks,

(i) Bank of America, N.A.

(ii) JPMorgan Chase Bank, National Association

270 Park Avenue, 6th Floor
New York, New York 10017-2014
Attention: David Bayer
Facsimile: (917) 546-2657
Telephone: (212) 270-4186

(iii) Union Bank, N.A.

445 South Figueroa Street
Mail Code: G08-268
Los Angeles, California
Attention: Public Finance Group
Facsimile: (213) 236-6917
Telephone: (213) 236-6435

(iv) Wells Fargo Bank, National Association

or to such other address or addresses as any such person shall have designated to the others by notice given in accordance with the provisions of this Section 15.

Section 16. Validity. If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Corporation or by the County, or if for any reason it is held by such a court that any of the covenants and agreements of the County hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full term hereof, then and in such event for and in consideration of the right of the County to possess, occupy and use the Property, which right in such event is hereby granted, this Sublease shall thereupon become and shall be deemed to be a sublease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the County.

Section 17. Execution in Counterparts. This Sublease may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same agreement.

Section 18. Law Governing. This Sublease is made in the State under the Constitution and laws of the State and is to be so construed.

Section 19. Amendment. This Sublease may be amended only in accordance with and as permitted by the terms of Section 7.02 of the Trust Agreement.

Section 20. Excess Payments. Notwithstanding anything contained herein or in the Trust Agreement to the contrary, if for any reason, including but not limited to damage, destruction, condemnation, transfer, sale or disposition, the County or the Trustee receive payments, proceeds or awards with respect to any Component in excess of the amount necessary to pay or prepay or provide in accordance with the Trust Agreement for the payment or redemption of all of the Outstanding Commercial Paper Notes any payment of all amounts payable under each Reimbursement Agreement, such excess shall represent the County's equity interest in such Component and shall be paid to the County.

Section 21. No Merger. If both the Corporation's and the County's estate under this Sublease or the Site Lease or any other lease relating to any Component shall at any time by any time by any reason become vested in one owner, this Sublease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the County so elects as evidenced by recording a written declaration so stating, and, unless and until the County so

elects, the County shall continue to have and enjoy all of its rights and privileges as to the separate estates.

Section 22. Further Assurances and Corrective Instruments. The County and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or any Component leased hereby or intended to be so leased or for carrying out the express intention of the Sublease.

Section 23. Representations and Warranties of the County. The County represents and warrants that, as of the Closing Date:

23.1 Existence. The County is validly existing as a political subdivision of the State, duly organized and created and validly existing under the Constitution of the State, with full right and power to execute, deliver and perform its obligations hereunder and under the Related Documents (as defined in each Reimbursement Agreement) to which it is a party.

23.2 Authorization; Contravention. The execution, delivery and performance by the County of this Sublease and the Related Documents to which it is a party are within the County's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official applicable to the County and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, decree or material instrument binding upon the County or result in the creation or imposition of any lien or encumbrance on any asset of the County (other than pursuant to such enumerated documents).

23.3 Binding Effect. Assuming due authorization, execution and delivery by each of the other parties hereto and thereto, this Sublease and the Related Documents to which the County is a party, each constitutes the legal, valid and binding obligation of the County enforceable against the County in accordance with its respective terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

23.4 No Default. The County is not, in any material respect, in violation of any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this subsection.

23.5 Litigation. Except as disclosed in writing to the Banks, there is no action, suit or proceeding against, or to the knowledge of the County threatened against or affecting, the County before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely

affect the financial condition of the County or which in any manner draws into question the validity or enforceability of this Sublease or any Related Document.

23.6 No Sovereign Immunity. The County is subject to civil and commercial law in respect of its obligations under this Sublease, the Notes and other Related Documents to which it is a party, and the execution, delivery and performance of such instruments and agreements constitute commercial acts rather than public or governmental acts; however, (i) the substantive provisions and procedural requirements of California civil law and commercial law which apply to the County are, in many respects, different from the substantive provisions and procedural requirements which would apply to other Persons under similar circumstances; (ii) California law limits the exercise of prejudgment and postjudgment remedies against public entities, including the County; and (iii) a court may not strictly enforce certain covenants if it concludes that enforcement would be unreasonable under the circumstances. To the extent that the County is entitled to any immunity from suit, it hereby waives such immunity to the fullest extent permitted by law.

23.7 Incorporation of Representations and Warranties by Reference. As of the Closing Date, the County hereby makes to the Banks the same representations and warranties made by the County as are set forth in the Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if fully set forth herein.

23.8 Legislation. No legislation has been enacted which would materially adversely affect or prohibit (i) the execution and delivery of this Sublease or the Related Documents to which the County is a party, or (ii) the performance by the County of its obligations under this Sublease or the Related Documents to which the County is a party.

Section 24. Refinancing of Corporation Obligations. In the event that any Advance or any amount under a Revolving Note is not paid by the Corporation when due under any Reimbursement Agreement, the County will use its best efforts to issue long-term bonds or certificates of participation or other obligations in an aggregate principal amount, or to substitute the applicable Credit Facility with a credit facility of an Alternate Bank, in each case so as to obtain funds sufficient in amount to pay the same in full.

Section 25. Third Party Beneficiaries. Each Bank and each Alternate Bank shall be a third party beneficiary of this Sublease with the power to enforce the same until the later of (i) the date the respective Credit Facility has terminated and been surrendered to such Bank or Alternate Bank, as applicable, for cancellation and (ii) the date all amounts payable under the respective Reimbursement Agreement and Revolving Note have been satisfied in full.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

COUNTY OF LOS ANGELES

By _____
Chair of the Los Angeles County
Board of Supervisors

**LOS ANGELES COUNTY
CAPITAL ASSET LEASING
CORPORATION**

By _____
Authorized Signatory

ATTEST:

Assistant Secretary of the Los Angeles
County Capital Asset Leasing
Corporation

By _____

Certificate of Executive Officer-Clerk
of the Board of Supervisors

On this ___ day of _____ 2010, pursuant to Section 25103 of the California Government Code, the undersigned Executive Officer-Clerk of the Board of Supervisors certifies that on this date, a copy of this document was delivered to the Chair of the Board of Supervisors of the County of Los Angeles.

Executive Officer-Clerk of the
Board of Supervisors

By _____
Deputy

State of California)
) SS
County of Los Angeles)

On _____, 2010, before me, _____ (here insert name & title of the officer), personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

State of California)
) SS
County of Los Angeles)

On _____, 2010, before me, _____ (here insert name & title of the officer), personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[Legal description of each Component available upon request]

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

[See attached base rental schedules]

EXHIBIT C-1

FORM OF DEBT SERVICE CERTIFICATE — ANNUAL

Pursuant to Section 3.1(b) of the Amended and Restated Sublease (the “Sublease”), dated [as of April 1, 2010], by and between the **Los Angeles County Capital Asset Leasing Corporation** (the “**Corporation**”) as Sublessor, and the **County of Los Angeles** (the “**County**”), as Sublessee, the undersigned hereby certifies that as of [July 15], ____ (the “Date of Calculation”):

- (a) the aggregate principal amount of Notes Outstanding is expected to be \$_____;
- (b) the Assumed Interest Rate for the Base Rental Period commencing on the Date of Calculation is ___% per annum, as calculated pursuant to the Trust Agreement;
- (c) based upon the aggregate principal amount of Notes Outstanding as of the Date of Calculation and the Assumed Interest Rate as of the Date of Calculation, the Assumed Interest Cost required during the Base Rental Period commencing on the Date of Calculation, will be \$_____;
- (d) the Required Principal Reduction Amount for the Base Rental Period commencing on the Date of Calculation is \$_____;
- (e) the Minimum Required Rental Payment is \$_____, which represents the sum of the amounts set forth in paragraphs (c) and (d); and
- (f) demand is hereby made that the County pay forthwith the Minimum Required Rental Payment.

Dated: _____

**LOS ANGELES COUNTY CAPITAL ASSET
LEASING CORPORATION**

BY: _____
Authorized Representative

EXHIBIT C-2

FORM OF DEBT SERVICE CERTIFICATE — ADDITIONAL NOTES

Pursuant to Section 3.1(c) of the Amended and Restated Sublease (the “Sublease”), dated [as of April 1, 2010], by and between **the Los Angeles County Capital Asset Leasing Corporation** (the “**Corporation**”) as Sublessor, and the **County of Los Angeles** (the “**County**”), as Sublessee, the undersigned hereby certifies that as of the date of issuance (the “Date of Calculation”) of Commercial Paper Notes referred to in Section 3.01(e)(v) of the Amended and Restated Trust Agreement dated [as of April 1, 2010] among the Corporation, the County and [TO COME] as Trustee (the “Trust Agreement”):

- (a) the aggregate principal amount of Notes Outstanding immediately after such issuance is expected to be \$_____;
- (b) the Assumed Interest Rate for the Base Rental Period during which the Date of Calculation occurs, as calculated pursuant to the Trust Agreement and as evidenced by the Debt Service Certificate--Annual filed by the Corporation in respect of that Base Rental Period during which the Date of Calculation occurs is ___% per annum;
- (c) based upon the aggregate principal amount of Notes Outstanding immediately after such issuance and the Assumed Interest Rate for the Base Rental Period during which the Date of Calculation occurs, the Assumed Interest Cost during the portion of the Base Rental Period from and after the Date of Calculation, will be \$_____;
- (d) the interest accrued on Notes during the Base Rental Period prior to the Date of Calculation is \$_____;
- (e) the Required Principal Reduction Amount for the Base Rental Period during which the Date of Calculation occurs which remains unpaid is \$_____;
- (f) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid by the County for the Base Rental Period during which the Date of Calculation occurs is \$_____;
- (g) the Minimum Supplemental Rental Payment is the sum of the amounts set forth in paragraphs (c), (d) and (e), less the amount set forth in paragraph (f), which is \$_____; and
- (h) if the amount set forth in paragraph (g) is greater than zero, demand is hereby made that the County pay forthwith the Minimum Supplemental Rental Payment.

Dated:_____

**LOS ANGELES COUNTY CAPITAL ASSET
LEASING CORPORATION**

BY:_____
Authorized Representative

EXHIBIT C-3

FORM OF DEBT SERVICE CERTIFICATE — ADDITIONAL INTEREST

Pursuant to Section 3.1(d) of the Amended and Restated Sublease (the “**Sublease**”), dated [as of April 1, 2010], by and between the **Los Angeles County Capital Asset Leasing Corporation** (the “**Corporation**”) as Sublessor, and the County of Los Angeles (the “**County**”), as Sublessee, the undersigned hereby certifies that as of the date hereof (the “Date of Calculation”):

- (a) the amount of interest required to be paid on Notes scheduled to mature during the portion of the Base Rental Period after the Date of Calculation is \$_____;
- (b) the interest actually paid on Notes during the Base Rental Period prior to the Date of Calculation is \$_____;
- (c) the Required Principal Reduction Amount for the Base Rental Period during which the Date of Calculation occurs which remains unpaid is \$_____;
- (d) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid by the County for the Base Rental Period during which the Date of Calculation occurs is \$_____;
- (e) the Minimum Supplemental Rental Payment is the sum of the amounts set forth in paragraphs (a), (b) and (c), less the amount set forth in paragraph (d), which is \$_____; and
- (f) if the amount set forth in paragraph (e) is greater than zero, demand is hereby made that the County pay forthwith the Minimum Supplemental Rental Payment.

Dated: _____

**LOS ANGELES COUNTY CAPITAL ASSET
LEASING CORPORATION**

BY: _____
Authorized Representative